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HUNTON & WILLIAMS LLP
INTELLECTUAL PROPERTY DEPARTMENT
RIVERFRONT PLAZA, EAST TOWER
951 EAST BYRD ST.
RICHMOND, VA 23219-4074

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

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1    UNITED STATES PATENT AND TRADEMARK OFFICE
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4       BEFORE THE BOARD OF PATENT APPEALS
5                AND INTERFERENCES
6                    _____
7          *Ex parte* FRANK J. JAKUBAITIS
8                    _____
9              Appeal 2006-2420
10           Application 09/607,202
11           Technology Center 3600
12                    _____
13
14         Decided: January 18, 2008
15                    _____
16
17   Before ALLEN R. MacDONALD, ROBERT E. NAPPI[1], and
18   ANTON W. FETTING, *Administrative Patent Judges.*
19
20   FETTING, *Administrative Patent Judge.*

21

_____

[1] The appeal was originally heard by Administrative Patent Judges Levy, Nappi, and Fetting. Subsequent to the decision mailed February 20, 2007, Administrative Patent Judge Levy retired. Subsequent to remand, the panel was changed to include Administrative Patent Judge MacDonald (replacing Judge Levy). *See In re Bose Corp.*, 772 F.2d 866, 869-70 (Fed. Cir. 1985).

1     DECISION ON REQUEST FOR REHEARING
2
3                    STATEMENT OF CASE
4        A merits panel of the Board entered a decision on appeal on February
5    20, 2007. *Ex parte Jakubaitis* Appeal 2006-2420 (Bd. Pat. App. & Int. Feb.
6    20, 2007). An appeal from that decision was timely taken to the U.S. Court
7    of Appeals for the Federal Circuit. In due course, the Federal Circuit entered
8    a mandate remanding to the Board for further proceedings. *In re Jakubaitis*,
9    No. 2007-1371 (Fed. Cir. Jul 3, 2007). A panel now proceeds to implement
10   the Federal Circuit's mandate. We have jurisdiction over the appeal pursuant
11   to 35 U.S.C. § 6(b) (2002).

12       The Appellant also filed a paper entitled RECONSIDERATION OF
13   *EX PARTE FRANK J. JAKUBAITIS*: REASONS WHY THE BOARD'S
14   FEBRUARY 20, 2007 DECISION IS IN ERROR on October 12, 2007. In
15   that paper, the Appellant requested that we (1) reconsider the February 20,
16   2007 Decision, and (2) reverse the Examiner's rejections (Request 22).

17       Frank J. Jakubaitis (Appellant) seeks review under 35 U.S.C. § 134 of
18   a final rejection of claims 1, 4 through 9, and 12 through 15 the only claims
19   pending in the application on appeal.

20       The Examiner rejected claims 1, 6 through 9,  and 13 through 15
21   under 35 U.S.C. § 103(a) as obvious over Reber, Fiala, and Freeny; claims 4
22   and 12 under 35 U.S.C. § 103(a) as obvious over Reber, Fiala, Freeny and
23   Official Notice; and claim 5 under 35 U.S.C. § 103(a) as obvious over
24   Reber, Fiala, Freeny, and White. The panel affirmed these rejections in the
25   Decision. The Appellant seeks reconsideration of the decision to affirm
26   these rejections.

1    We have considered the arguments set forth by the Appellant in the

2    Request and reconsidered the Decision in view of the Appellant's

3    arguments. We GRANT the REQUEST FOR REHEARING in that we

4    VACATE the February 20, 2007 Decision and ENTER the following new

5    Decision. The disposition of the claims is set forth in this new Decision in

6    which we AFFIRM and ENTER A NEW GROUND OF REJECTION

7    UNDER 37 C.F.R. § 41.50(b).

8    The Appellants state that they have invented a way for distributing

9    digital works among a retail merchant at a merchant node, a remote server,

10   and a customer at a customer node through a public communications

11   network (Specification 2:10-13).

12   An understanding of the invention can be derived from a reading of

13   exemplary claim 1, which is reproduced below [bracketed matter and some

14   paragraphing added].

15   1. A method for distributing digital works among a retail
16   merchant having a merchant node, a remote server, and a
17   customer at a customer node, each digital work having
18   identification data associated therewith, the remote server being
19   intermittently coupled through a communications link which
20   includes a communications network to the customer node, the
21   method comprising the steps of:

22   [1] storing the digital works and their associated identification
23   data on a memory of the remote server;

24   [2] purchasing from the retail merchant a package

25       [2a] including a card associated with a desired one of the
26       digital works,

27       [2b] wherein the card includes a card identifier,

28           [2b1] the card identifier being displayed on an
29           outer surface of the card,

1          [2b2] the card identifier being a code that includes
2          the desired digital work's identification data to
3          uniquely identify the digital work and the package
4          and card being purchased,

5        [2c] the outer surface of the card or the package further
6        displaying a description of the content of the digital work
7        to be downloaded;

8     [3] sending a request from a merchant node associated with the
9  retail merchant to the remote server

10        to set a status of the desired digital work as available for
11        one-time access based on the card identifier of the card
12        associated with the digital work,

13        the remote server

14           receiving the request and

15           searching the digital works stored on the remote
16           server

17               for the desired digital work specified by the
18               card identifier in the received request from
19               the merchant node and

20           setting the status of the desired digital work as
21           available for access;

22    [4] sending a request

23        to access the desired digital work from the customer node
24        through the communications network

25        to the remote server,

26           the request specifying the desired digital work's
27           identification data included in the card identifier
28           displayed on the outer surface of the purchased
29           package;

30    [5] receiving at the remote server the request to access the
31  desired digital work;

32    [6] searching the digital works stored on the remote server for
33  the desired digital work specified by the identification data

1       associated with the card identifier displayed on the outer
2       surface of the purchased card in the received request;

3       [7] identifying the digital work based upon the received
4       identification data;

5       [8] transmitting the desired digital work from the remote server
6       through the communications network to the customer node;

7       [9] receiving at the customer node the desired digital work; and

8       [10] storing the desired digital work

9               on a memory of the customer node

10              such that the digital work is available for subsequent use
11              by the customer at the customer node after the customer
12              logs off of the remote server.

13

## PRIOR ART

15      The Examiner relies upon the following prior art:

16      Freeny          US 4,528,643        Jul. 9, 1985

17      Reber           US 5,995,105        Nov. 30, 1999

18      Fiala           US 5,918,909        Jul. 6, 1999

19      White           US 6,169,975 B1     Jan. 2, 2001

20

## REJECTIONS

22      Claims 1, 6 through 9, and 13 through 15 stand rejected under 35

23  U.S.C. § 103(a) as obvious over Reber, Fiala, and Freeny.

24      Claims 4 and 12 stand rejected under 35 U.S.C. § 103(a) as obvious

25  over Reber, Fiala, Freeny, and Official Notice.

26      Claim 5 stands rejected under 35 U.S.C. § 103(a) as obvious over

27  Reber, Fiala, Freeny, and White.

1                                      ISSUES

2          The issues pertinent to this request are whether the Appellant has

3   sustained its burden of showing that the Examiner erred in rejecting claims

4   1, 6 through 9, and 13 through 15 under 35 U.S.C. § 103(a) as obvious over

5   Reber, Fiala, and Freeny; claims 4 and 12 under 35 U.S.C. § 103(a) as

6   obvious over Reber, Fiala, Freeny, and Official Notice; and claim 5 under 35

7   U.S.C. § 103(a) as obvious over Reber, Fiala, Freeny, and White.

8          Appellant has presented numerous arguments in the Briefs and the

9   Request for rehearing. These arguments present us with the central issue of

10  whether one skilled in the art would have combined Reber's teaching of

11  using a card as a mechanism for distributing downloads of digital works

12  with Reber system for selling and controlling  downloaded digital works and

13  Fiala's teachings directed to an authorization process for prepaid cards.  We

14  will address the central issue first and then separately address the individual

15  arguments presented by Appellant.

16

17                       FACTS PERTINENT TO THE ISSUES

18         The following enumerated Findings of Fact (FF) are supported by a

19  preponderance of the evidence.

20  *Appellant's Disclosure*

21         01.   A "digital work" is not lexicographically defined by Appellant.

22               However, the Appellant discloses it in preferred embodiments.

23               Each digital work is disclosed by Appellant as including a text,

24               audio, video, or multimedia work which has been translated to or

1         created in a digital form and which can be recreated or accessed

2         using suitable interpreters, such as software programs. The

3         Appellant discloses digital work examples as a book, a periodical

4         subscription (such as a newspaper or magazine), a song or

5         collection of songs, a movie, a software program, or the like

6         (Specification 4:17-22).

7     02.   A "package" is not lexicographically defined by Appellant.

8         However, the Appellant discloses each digital work as being

9         presented in a package which is available for purchase at a retail

10         merchant, such as a convenience store, a gasoline station, a

11         supermarket, an office supply outlet, a mall kiosk, or the like

12         (Specification 5:1-4).

13     03.   A "customer node" is not lexicographically defined by

14         Appellant. However, the Appellant discloses a customer node as a

15         conventional computer equipped with memory (such as RAM,

16         ROM, and a hard disk), at least one processor, an input device

17         (such as a keyboard, a mouse, or other pointing device, and/or the

18         like), and an output device (such as a display or the like). The

19         customer node so described also includes communications

20         equipment for connecting to the Internet, such as a modem, and

21         connects to the Internet via a public or private connection using

22         such equipment (Specification 5:15-21).

23     04.   The Appellant further discloses alternative customer node

24         embodiments as other types of systems with similar equipment

25         and components, such as a pen-based system, a kiosk, or the like

26         (Specification 6:14-16).

1       05.   A "merchant node" is not lexicographically defined by

2            Appellant. However, the Appellant discloses a merchant node as

3            being a conventional computer equipped with memory (such as

4            RAM, ROM, and a hard disk), at least one processor, an input

5            device, an output device, and communications equipment for

6            connecting to the Internet (such as a modem) (Specification 6:17-

7            20).

8       06.   The Appellant discloses an equivalency between the structural

9            composition of the merchant and customer nodes by describing

10          that the merchant node components may be identical to the

11          components described with respect to the customer node

12          (Specification 6:22-7:2).

13      07.   The Appellant further describes alternative merchant node

14          embodiments as other types of systems with similar equipment

15          and components, such as a pen-based system, a kiosk, or the like

16          (Specification 7:8-10).

17      08.   An "identification data" is not lexicographically defined by

18          Appellant. However, the Appellant discloses as embodiments: a

19          unique 16-character alphanumeric identifier; a user name and/or

20          password; and other forms of identifiers, such as alphabetic-only

21          or numeric-only identifiers. The Appellant discloses such an

22          identifier as including any number of characters (Specification

23          9:2-6).

24      09.   The Appellant discloses the identifier as embodied such that the

25          retail merchant inputs the identifier into the merchant node using a

1        standard input device, such as typing the identifier using a

2        keyboard, scanning the identifier with a bar code scanner, reading

3        the identifier from the magnetic strip using a magnetic card reader,

4        or the like (Specification 9:21-10:2).

5      10.   The Appellant discloses the identifier as embodied such that the

6        customer inputs the identifier for the desired digital work using a

7        standard input device, such as typing the identifier using a

8        keyboard or reading the identifier from the magnetic strip using a

9        magnetic card reader, and then clicks the "Submit" button

10        (Specification 12:7-10).

11     11.   The Appellant's original disclosure identifies that, when the

12        desired digital work is *received* at the customer node, it is stored

13        on the memory of the customer node "for subsequent access and

14        use by the customer" (Specification 12:17-19).

15     12.   The modifier "subsequent" in FF 11 is, on its face by the terms

16        of that sentence within the Specification, relative to *reception* of

17        the work.

18     13.   The disclosure as filed contained no written description of

19        logging off or otherwise exiting the remote server as currently

20        recited in the final phrase "such that the digital work is available

21        for subsequent use by the customer at the customer node after the

22        customer logs off of the remote server" of claim 1. This limitation

23        was added to claim 1 by amendment dated February 24, 2005.

24        The Appellant did not present any evidence as to support for this

25        amendment in the original disclosure.

1    *Facts related to Claim Construction*

2    14.   The disclosure contains no lexicographic definition of "digital
3          work."

4    15.   The ordinary and customary meaning of a "work" as a noun
5          within the context of the claimed subject matter is something that
6          has been produced or accomplished through the effort, activity, or
7          agency of a person or thing.[2]

8    16.   The disclosure does state that each digital work includes a text,
9          audio, video, or multimedia work which has been translated to or
10         created in a digital form (FF 01).

11   17.   The disclosure provides examples of digital works as a book, a
12         periodical subscription (such as a newspaper or magazine), a song
13         or collection of songs, a movie, a software program, or the like
14         (FF 01).

15   18.   The disclosure contains no lexicographic definition of
16         "customer node."

17   19.   The phrase "customer node" is, on its face, a noun, "node,"
18         modified by a noun adjective "customer." The phrase does not
19         limit the relationship between the noun "node" and its noun
20         adjective "customer."

21   *Reber*

22   20.   Reber is directed toward accessing digital products by
23         automatically linking a user to a resource, itself a digital product,

1        in an electronic network using a network navigation device.

2        Reber's device includes a human-viewable image intuitively

3        associated with the resource and machine-readable data for

4        navigating to the electronic address (Reber 2:38-46).

5    21.   Reber describes a usage parameter associated with the network

6        navigation device that can be monitored so that a predetermined

7        measure of use is provided. Reber describes that, by using this

8        usage parameter, embodiments of the present invention may be

9        used for prepaid use, the degree of usage limited by the usage

10       parameter. (Reber 2:50-56). Thus, at the time of usage, such an

11       embodiment would have been prepaid, i.e., would have been

12       conveyed to the user in exchange for payment prior to use. Since

13       a purchase is acquisition through the payment of money or its

14       equivalent, and such an embodiment would have been an

15       acquisition of Reber's card by the user through payment by virtue

16       of being prepaid prior to use, this embodiment would have been

17       purchased by the time it is used. Since a customer is one who

18       buys goods or services,[2] the computer node at which such an

19       embodiment would be used for downloading would be associated

20       with the user who purchased the device, or someone who stands in

21       that purchaser's shoes if the card was transferred, i.e., a customer.

22    22.   Reber Figs. 2, 4, and 6 show exemplary cards for acquiring

23        digital works, which Reber refers to as network navigation

24        devices. The card's structure is portrayed in FIG. 1 within a block

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[2] *American Heritage Dictionary of the English Language* (4th ed. 2000).

1      diagram as item 10. Reber's network navigation device is a

2      package including a substrate 12, a first human-viewable image 14

3      supported by the substrate 12, and machine-readable data 16

4      supported by the substrate 12. The package may also include a

5      second human-viewable image 18 supported by the substrate 12

6      (Reber 2:57-64).

7      23.   Reber's first human-viewable image indicates a resource in an

8      electronic network. Reber's second human-viewable image

9      indicates a service which provides the resource to a network

10      access apparatus via the electronic network. Reber's machine-

11      readable data identifies the specific resource to the service (Reber

12      2:65-3:3).

13      24.   Reber's service which provides the resource to an end user is

14      provided by a node in the electronic network. Reber's resource

15      can be locally present at the node or be at another electronic

16      address in the electronic network (Reber 3:4-10).

17      25.   Reber describes the focused embodiment being on a network

18      such as the Internet, the World Wide Web, or an intranet. In this

19      case, the machine-readable data may include at least a portion of a

20      uniform resource locator (URL) or an Internet Protocol (IP)

21      address to identify the resource (Reber 3:11-21).

22      26.   Reber's substrate is formed by a substantially flat piece of

23      material, which may be paper, cardboard, and plastic (Reber 3:22-

24      26).

1    27.   Reber's substrate can be card-shaped.  For example, it can have

2          the size of a business card, a credit card, an index card, a trading

3          card (e.g., a baseball card), or a playing card (e.g., from a deck of

4          playing cards). In other embodiments, Reber's substrate includes a

5          page in a book, a magazine, a newspaper, or other printed

6          publication (Reber 3:31-41).

7    28.   Reber's human-viewable images may be printed directly onto

8          the substrate or printed onto a second substrate for affixing or

9          adhering to a surface of the substrate with an adhesive backing.

10         As another alternative, the human-viewable images can be

11         packaged within the substrate (Reber 3:52-62).

12   29.   Reber's first human-viewable image can include textual and/or

13         graphical information which provides an intuitive and/or

14         understandable representation of the resource.  Thus, the first

15         image identifies the resource to the user.  The second human-

16         viewable image can similarly include textual and/or graphical

17         information which indicates to the end user which service is

18         providing the resource (Reber 3:63-4:12).

19   30.   Reber's second human-viewable image can indicate any

20         combination of: a client routine utilized to display the resource; a

21         network provider which connects the network access apparatus to

22         the electronic network; and a service which provides a link to the

23         resource (Reber 4:18-24).

24   31.   Reber's machine-readable data 16 can be supported by the

25         substrate in a variety of ways. In particular, Reber describes

1      embodiments where the machine-readable data includes printed

2      data, in which case the machine-readable data can be printed

3      directly onto the substrate, printed onto a second substrate for

4      affixing or adhering to a surface of the substrate, or can be

5      contained within the substrate. In these embodiments, the printed

6      data can include a bar code (Reber 4:25-34).

7      32.    Reber's network access apparatus can have a variety of forms,

8      including but not limited to, a general purpose computer, a

9      network computer, a network television, an internet television, and

10      a portable wireless device (Reber 5:14-17).

11      33.    In one Reber application, the human-viewable printed image

12      can include a figure in a book or the like. Here, the printed data

13      may direct a user to a resource having information associated with

14      the figure, with the printed data that identifies that particular

15      resource (i.e., uniquely identifies the resource) included in a

16      caption for the figure (Reber 7:32-38).

17      34.    Reber's machine-readable data provides navigation instructions

18      that tell the network access apparatus how to link to, i.e., to

19      uniquely identify and find, the resource. As described earlier, the

20      navigation instructions can include at least a portion of a URL or

21      at least a portion of an IP address for the resource (Reber 10:1-7).

22      35.    Because a URL can includes a protocol, which include: "file:"

23      for accessing a file stored on a local storage medium; "ftp:" for

24      accessing a file from an FTP (file transfer protocol) server; "http:"

25      for accessing an HTML (hypertext marking language) document;

1    "gopher:" for accessing a Gopher server; "mailto:" for sending an

2    e-mail message; "news:" for linking to a Usenet newsgroup;

3    "telnet": for opening a telnet session; and "wais:" for accessing a

4    WAIS server, Reber describes that its network navigation device

5    embodiments include those for automatically initiating a task

6    using any of these enumerated protocols (Reber 10:11-22).  In

7    particular, the ftp protocol uniquely identifies and accesses a

8    specific file from an FTP server.  Thus, one of Reber's

9    embodiments uses the printed identifier to uniquely identify and

10   access a specific digital file, that is requested by the signal sent to

11   the FTP server from reading the printed identifier on Reber's

12   device, that is located on an FTP server.

13   36.  Reber describes the content from Reber's resource as including

14        audible information and/or visual information, such as graphical

15        information and/or textual information.  Reber describes examples

16        of the content as any combination of a file from a local hard drive,

17        a file from an FTP server, an HTML document, content from a

18        Gopher server, a message from a newsgroup, a transmission from

19        a Telnet session, a transmission from a WAIS server, an animation

20        file, a movie file, and an audio file (Reber 11:30-38).

21   37.  Reber describes an optional step of monitoring a usage

22        parameter associated with the network navigation device.  Reber's

23        usage parameter can measure the usage in terms of: (i) units of

24        time (e.g., minutes or hours); (ii) monetary units (e.g., dollars); or

25        (iii) a number of uses (Reber 12:40-44).

1      38.    Reber optionally limits subsequent usage with the network

2          navigation device once the usage parameter attains a

3          predetermined threshold. Reber describes as examples subsequent

4          usage limited if usage reaches: (i) a predetermined time limit; (ii)

5          a predetermined monetary limit; or (iii) a predetermined number

6          of uses limit. Reber describes mechanisms for limiting

7          subsequent usage by either: (i) inhibiting or prohibiting all

8          subsequent usage associated with the network navigation device;

9          or (ii) allowing limited subsequent usage (Reber 12:45-55).

10     39.    Reber describes a server to authenticate the network navigation

11         device using a database when the user uses the device to request

12         the resource described on Reber's card. The database includes

13         records corresponding to network navigation devices. Each record

14         includes a code which identifies a respective one of the network

15         navigation devices. Reber's server authenticates a network

16         navigation device based upon a code encoded in the received

17         signal, such as by checking if the code in the signal matches a

18         code in the database 152 (Reber 12:66-13:8).

19     40.    Each record in Reber's database can additionally include a

20         resource location, a usage limit, and a usage parameter. The

21         resource location identifies a location of the resource associated

22         with the network navigation device. The resource location can be

23         a full address, a partial address, or even as minimal as a name of a

24         resource on the server (Reber 13:9-17).

25     41.    Reber shows an example of a resource limited to single use

26         (Reber, Fig. 11:Code 1, see also Reber 14:57-59).

1      42.   Reber's usage limit specifies a threshold of usage at which

2      subsequent usage is limited. Reber's usage limit can limit a

3      number of uses, a time duration of usage, or a monetary measure

4      of usage. Alternatively, the usage limit can indicate that an

5      unlimited use of the network navigation device is permitted

6      (Reber 13:18-23).

7      43.   Reber's usage parameter indicates an amount of usage

8      associated with the network navigation device. (Reber 13:24-25).

9      44.   After authenticating the network navigation device, Reber's

10      server identifies the resource to be provided to the end user using

11      the contents of a resource location field in the database. The

12      server retrieves the resource, which may be available only on

13      Reber's server (Reber 13:28-38).

14      45.   Reber's server can modify the content of the resource to include

15      a logo or the like to identify a service provided (Reber 13:55-59).

16      *Freeny*

17      46.   Freeny is directed toward reproducing or manufacturing

18      material objects for purchase at point of sale locations only with

19      the permission of the owner of the information, thereby assuring

20      that the owner of the information will be compensated in

21      connection with such reproduction (Freeny 4:8-13).

22      47.   Freeny permits the sale of material objects embodying

23      information (Freeny 4:13-18).

24      48.   The term "material object" as used by Freeny means a medium

25      or device in which information can be embodied or fixed and from

1      which the information embodied therein can be perceived,

2      reproduced, used or otherwise communicated, either directly or

3      with the aid of another machine or device. Freeny provides as

4      examples, a cassette tape, a floppy disk, a phonograph records, an

5      8-track tape, a reel-to-reel tape, a video disc, a handheld calculator

6      or electronic game, a greeting card, a map, and sheet music

7      (Freeny 4:36-59).

8   49.  Freeny's system makes use of an information control machine

9        that acts as a server for downloading predetermined or preselected

10       information and an information manufacturing machine that acts

11       as a node to receive downloads (Freeny 5:1-31).

12        a. Freeny's information control machine is constructed to

13           perform functions such as: receiving, encoding and storing

14           received information; receiving request reproduction codes

15           requesting to reproduce certain preselected information at a

16           particular information manufacturing machine; providing

17           authorization codes authorizing the reproduction of certain

18           preselected information at a particular information

19           manufacturing machine; receiving file reproduce codes via

20           an input line requesting the reproduction of the information

21           stored in the information control machine; providing the

22           information so stored to particular information

23           manufacturing machines; receiving file transmit codes

24           requesting the reproduction of the information stored in the

25           information control machine; and providing the information

1          stored therein to particular information manufacturing

2          machines.

3              b.  Freeny's information manufacturing machine is constructed

4                  to: receive and store encoded information; receive and

5                  provide request reproduction codes; decode preselected

6                  information in response to receiving an authorization code;

7                  and provide certain preselected decoded information to a

8                  reproduction unit adapted to reproduce received information

9                  in a material object.

10     50.   Each of Freeny's information manufacturing machines is

11          located at a point of sale location and each point of sale location is

12          located remotely with respect to the other point of sale locations.

13          Freeny's information control machine is located at a location

14          remote from each of the point of sale locations and the

15          information manufacturing machines.  The point of sale location is

16          a location where a consumer goes to purchase material objects

17          embodying predetermined or preselected information (Freeny

18          5:32-50).

19     51.   When a request is made at one of Freeny's point of sale

20          locations for a material object embodying certain selected

21          information, the request is entered into the information

22          manufacturing machine in the form of a request reproduction code

23          and, in response to such a request, the information manufacturing

24          machine provides a request reproduction code requesting to

25          reproduce the certain selected information in a material object.

26          The request reproduction code is received by the information

1        control machine, and, in response to receiving the request code,

2        the information control machine, if approved, provides an

3        authorization code which is received by the information

4        manufacturing machine.  In response to receiving the

5        authorization code, the information manufacturing machine

6        decodes the preselected information stored in the information

7        manufacturing machine and provides the decoded information.

8        The reproduction unit is constructed and adapted to receive the

9        decoded information and to reproduce the preselected information

10      in a material object.  Thus, the information manufacturing units

11      are constructed to reproduce preselected information in material

12      objects only in response to receiving an authorization code and,

13      thus, preselected information is embodied or reproduced in a

14      material object at a point of sale location only with the permission

15      of the owner of the information, such permission being indicated

16      by the authorization code provided by information control

17      machine (Freeny 5:60 – 6:23).

18    52.   Freeny describes the obligations of the owner of recordings as

19      usually to pay recording artists and songwriters in connection with

20      the sale of recordings embodying the performances of such

21      recording artists or using musical compositions composed by such

22      songwriters.  Freeny describes programming its information

23      access unit to credit the account of the appropriate recording artist

24      and the appropriate songwriter or publisher each time a particular

25      recording is authorized to be reproduced, which Freeny states

1        should reduce the accounting problems traditionally encountered

2        in this area (Freeny 15:12-23).

3     *Fiala*

4     53.   Fiala is directed to packaging for well-known prepaid debit

5        cards. Such debit cards are associated with a prepaid metered

6        account, and the account is debited as purchases are made by a

7        consumer (Fiala 1:26-29).

8     54.   Fiala describes prior art prepaid metered accounts associated

9        with debit cards as being well-known for providing access to

10       goods and services, e.g., telephone services.  Fiala describes the

11       use of such cards as typically having a personal identification

12       number ("PIN") and being sold at a retail outlet for a certain price.

13       This PIN number is associated with an already-activated metered

14       account that is pre-credited with a certain predetermined value

15       representing the value of services, e.g., telephone services, being

16       purchased.  Then, as the cardholder uses the telephone services,

17       the cardholder provides the PIN number and the account is

18       successively debited for the services provided until the value of

19       the card is exhausted (Fiala 1:37-42).

20     55.   Fiala describes a problem with theft of cards if a person obtains

21       knowledge of the PIN of a pre-activated card.  Fiala describes a

22       solution to this problem, by providing a PIN and activating the

23       card at the time of sale (Fiala 1:52-60, 2:47-53).

24     56.   The activation of Fiala's chard is performed after it is paid for.

25       A control number is read from the card and transmitted to a

1        computer to identify the associated metered account in a manner

2        understood by those skilled in the art, and the computer then

3        activates that particular associated metered account. The metered

4        account may have been credited with a certain predetermined

5        balance when the metered account was entered into the digital

6        computer, but, if not, the digital computer will now credit the

7        metered account with a certain predetermined balance (Fiala

8        19:57-20:5).

9    *Knowledge of One of Ordinary Skill*

10   57.   File transfer protocol (ftp) as referred to by Reber (see fact 35)

11        is essentially a file transfer (upload or download) mechanism. As

12        such, after an ftp session is initiated (by logging on), and in

13        response to an ftp download command, the ftp server copies a file

14        from a remote location to the local computer, where the copy that

15        has been downloaded will continue to reside after the ftp operation

16        is completed and the user terminates (logs off) the ftp session.[3]

17   58.   To look up an entry in a database is referred to by those of

18        ordinary skill as to search the database.

19   59.   A file system is known to those of ordinary skill to be a

20        database whose directories and files are searched in the

21        performance of file operations.

22   60.   The arts pertinent to the claimed subject matter include internet

23        communications and communication protocols, sales systems in

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[3] See, for example, the ftp specification at ttp://www.ietf.org/rfc/rfc0959.txt.

1          general and those for analog and digital signal products, and

2          prepaid debit cards in particular, and network security and

3          authorization systems.

4    61.   The level of ordinary skill would be that of design,

5          specification, programming and correcting of systems in these

6          arts.

7                          PRINCIPLES OF LAW

8    *Claim Construction*

9          During examination of a patent application, pending claims are

10   given their broadest reasonable construction consistent with the

11   specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In

12   re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

13         Limitations appearing in the specification but not recited in the claim

14   are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d

15   1364, 1369 (Fed. Cir. 2003) (claims must be interpreted "in view of the

16   specification" without importing limitations from the specification into the

17   claims unnecessarily).

18         Although a patent applicant is entitled to be his or her own

19   lexicographer of patent claim terms, in *ex parte* prosecution it must be

20   within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant

21   must do so by placing such definitions in the Specification with sufficient

22   clarity to provide a person of ordinary skill in the art with clear and precise

23   notice of the meaning that is to be construed. *See also In re Paulsen*, 30

24   F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the

25   specific terms used to describe the invention, this must be done with

1 reasonable clarity, deliberateness, and precision; where an inventor chooses

2 to give terms uncommon meanings, the inventor must set out any

3 uncommon definition in some manner within the patent disclosure so as to

4 give one of ordinary skill in the art notice of the change).

5 *Obviousness*

6      A claimed invention is unpatentable if the differences between it and

7 the prior art are "such that the subject matter as a whole would have been

8 obvious at the time the invention was made to a person having ordinary skill

9 in the art." 35 U.S.C. § 103(a) (2000); *KSR Int'l v. Teleflex Inc.*, 127 S.Ct.

10 1727, 1729-30 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14

11 (1966).

12      In *Graham*, the Court held that that the obviousness analysis is

13 bottomed on several basic factual inquiries: "[(1)] the scope and content of

14 the prior art are to be determined; [(2)] differences between the prior art and

15 the claims at issue are to be ascertained; and [(3)] the level of ordinary skill

16 in the pertinent art resolved." 383 U.S. at 17. *See also KSR Int'l v. Teleflex*

17 *Inc.*, 127 S.Ct. at 1734. "The combination of familiar elements according to

18 known methods is likely to be obvious when it does no more than yield

19 predictable results." *KSR*, at 1739.

20      "When a work is available in one field of endeavor, design incentives

21 and other market forces can prompt variations of it, either in the same field

22 or [in] a different one. If a person of ordinary skill [in the art] can

23 implement a predictable variation, § 103 likely bars its patentability." *Id*. at

24 1740.

25      "For the same reason, if a technique has been used to improve one

26 device, and a person of ordinary skill in the art would recognize that it would

1 improve similar devices in the same way, using the technique is obvious

2 unless its actual application is beyond his or her skill." *Id.*

3 "Under the correct analysis, any need or problem known in the field

4 of endeavor at the time of invention and addressed by the patent can provide

5 a reason for combining the elements in the manner claimed." *Id.* at 1742.

6 *Automation of a Known Process*

7 It is generally obvious to automate a known manual procedure or

8 mechanical device. Our reviewing court stated in *Leapfrog Enterprises Inc.*

9 *v. Fisher-Price Inc.*, 485 F.3d 1157 (Fed. Cir. 2007) that one of ordinary

10 skill in the art would have found it obvious to combine an old

11 electromechanical device with electronic circuitry

12 to update it using modern electronic components in order to gain the
13 commonly understood benefits of such adaptation, such as decreased
14 size, increased reliability, simplified operation, and reduced cost. . . .
15 The combination is thus the adaptation of an old idea or invention . . .
16 using newer technology that is commonly available and understood in
17 the art.

18 *Id* at 1163.

19 ANALYSIS

20 *Claims 1, 6 through 9, 13, 14, and 15 rejected under 35 U.S.C. § 103(a) as*

21 *obvious over Reber, Fiala, and Freeny.*

22 The Appellants argue these claims as a group.

23 Accordingly, we select claim 1 as representative of the group.

24 37 C.F.R. § 41.37(c)(1)(vii) (2007).

1          *Board of Patent Appeals and Interferences Findings and Holdings*

2          Before we analyze the references and the Examiner's findings, we

3 will address claim construction. The disclosure provides no lexicographic

4 definition of the phrases "digital work" or "customer node" (FF 14 and 18).

5 The ordinary and customary meaning of a "work" as a noun within the

6 context of the claimed subject matter is something that has been produced or

7 accomplished through the effort, activity, or agency of a person or thing.

8 The Specification indicates that each digital work includes a text, audio,

9 video, or multimedia work which has been translated to or created in a

10 digital form and which can be recreated or accessed using suitable

11 interpreters, such as software programs, and the work may be a book, a

12 periodical subscription (such as a newspaper or magazine), a song or

13 collection of songs, a movie, a software program, or the like (FF 01). Thus,

14 a digital work is construed as a text, audio, video, or multimedia work that

15 has been produced or accomplished through the effort, activity, or agency of

16 a person or thing, and which has been translated to or created in a digital

17 form and which can be recreated or accessed using suitable interpreters, such

18 as software programs.

19          The phrase "customer node" is, on its face, a noun, "node," modified

20 by a noun adjective "customer." The phrase does not limit the relationship

21 between the noun "node" and its noun adjective "customer" (FF 19). The

22 Specification indicates that in preferred embodiments, the customer node is a

23 conventional computer equipped with memory (such as RAM, ROM, and a

24 hard disk), at least one processor, an input device (such as a keyboard, a

25 mouse or other pointing device, and/or the like), and an output device (such

26 as a display or the like) (FF 03). The Specification further states that in

1    alternative embodiments, the customer node may be other types of systems

2    with similar equipment and components, such as a pen-based system, a

3    kiosk, or the like (FF 04). The merchant node components may be identical

4    to the components described with respect to the customer node (FF 06). By

5    the commutative property of identity, a customer node may therefore be

6    identical to a merchant node. A merchant node may have a bar code scanner

7    and a magnetic card reader (FF 09), and accordingly so may the customer

8    node. Thus we construe the customer node to be a computer node on a

9    network that relates in some unspecified manner to a customer, which may

10   be a kiosk, and which may have a bar code scanner and magnetic card

11   reader. Any computer acting as a node upon which a file would be

12   downloaded as part of a service to or for a customer would be within the

13   scope of a customer node.

14        Having construed the pertinent terms for the limitations that are under

15   contention, we turn to the rejection under obviousness. The Supreme Court

16   has provided guidance for determining obviousness based on the *Graham*

17   factors. *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007). As with

18   *Graham*, we first determine the scope and content of the prior art, which we

19   set forth, *supra*, in the Findings of Fact. Next the differences between the

20   prior art and the claim are ascertained.

21        We find that Reber describes a card in a package (FF 22) that

22   pictorially describes a digital product or service along with a code that

23   uniquely identifies the product (FF 23) in bar code format (FF 31). Reber

24   describes this as being downloaded via e.g., ftp, (FF 35) which would cause

25   a request to be sent to the ftp server, the product located, and sent back to the

26   user. The product (or content) sent back to the user may be a movie or audio

27

1   file (FF 36). Thus, Reber's product is a "digital work" within the meaning

2   of the term as used in claim 1. Following an ftp transfer described by Reber

3   (FF 35), the download would remain even after logging off the ftp session

4   (FF 57). Reber's embodiment that is described in detail does not explicitly

5   describe the card being purchased, as opposed to free distribution, but in

6   Reber's embodiment of a prepaid card, the user would be a customer at the

7   time of use, having prepaid for the card that was purchased at the time of

8   prepayment by the user (FF 21). Reber explicitly and repeatedly describes

9   metering the number of uses for the card (FF 21, 37, 38, 40, 42, and 43) and

10  shows an embodiment in which the metering is for a single use (FF 41).

11       Freeny describes selling a downloaded digital product to a customer

12  (FF 49 and 51). Freeny's information control machine corresponds to the

13  claimed remote server; Freeny's information manufacturing machine

14  corresponds to the claimed customer node, and Freeny's point of sale

15  location corresponds to the claimed merchant node (FF 50). Freeny's

16  manufacturing machine is a node on Freeny's network and is used to

17  download a file for a customer and therefore falls within the scope of the

18  phrase "customer node." The product is downloaded after an authorization

19  sequence (FF 49 and 51) and the number of downloads is controlled (51 and

20  52). Fiala is a cumulative reference that provides evidence of the notoriety of

21  debit cards and the authorization process they entail (FF 53-56).

22       Thus, the limitations of claim 1 are found in Reber, Fiala and Freeny

23  as follows

24       A method for distributing digital works

25       among a retail merchant having a merchant node, a remote

26       server, and a customer at a customer node, (FF 50)

1   each digital work having identification data associated

2   therewith, (FF 23, and 31).

3   the remote server being intermittently coupled through a

4   communications link which includes a communications

5   network to the customer node, (FF 35, 49, and 51)

6   the method comprising the steps of:

7   [1] storing the digital works and their associated identification

8   data on a memory of the remote server; (FF 35, 36, 39, 49)

9   [2] purchasing from the retail merchant a package (FF 46, 47,

10  and 54)

11          [2a] including a card associated with a desired one of the

12          digital works, (FF 22, 26-28)

13          [2b] wherein the card includes a card identifier, (FF 23)

14                  [2b1] the card identifier being displayed on an

15                  outer surface of the card, (FF 20 and 23)

16                  [2b2] the card identifier being a code that includes

17                  the desired digital work's identification data to

18                  uniquely identify the digital work and the package

19                  and card being purchased, (FF 23, 33, and 35)

20          [2c] the outer surface of the card or the package further

21          displaying a description of the content of the digital work

22          to be downloaded; (FF 20, 22, 23, and 29)

23   [3] sending a request from a merchant node associated with the

24  retail merchant to the remote server (Freeny discloses sending a

25  request as the mechanism for authorizing download - FF 49 and

26  51)

27          to set a status of the desired digital work (Reber discloses

28          the use of a usage parameter that has been set before

29          distribution of a card - FF  37, 38, 40, 42, 43; Freeny

30          discloses sending a request that alters the status of a

31          product at the time of purchase to enable for download -

32          49 and 51) as available for one-time access (FF 41, 51,

33          and 52) based on the card identifier of the card associated

34          with the digital work, (FF 39 and 40)

35          the remote server (FF 49 and 51)

1           receiving the request and (FF 49 and 51)

2           searching the digital works stored on the remote
3           server (FF 49 and 51)

4                  for the desired digital work specified by the
5                  card identifier (FF 23) in the received
6                  request from the merchant node (FF 49 and
7                  51) and

8           setting the status of the desired digital work as
9           available for access; (FF 37, 38, 40, 42, 43, 49, and
10          51)

11      [4] sending a request (FF 39, 49, and 51)

12          to access the desired digital work (FF 39, 49, and 51)
13          from the customer node (FF 49 and 51) through the
14          communications network (FF 39, 49, and 51)

15          to the remote server, (FF 39, 49, and 51)

16                 the request specifying the desired digital work's
17                 identification data (FF 39, 40, 49, and 51) included
18                 in the card identifier displayed on the outer surface
19                 of the purchased package; (FF 23, 39, and 40)

20      [5] receiving at the remote server the request to access the
21      desired digital work; (FF 39, 40, 49, and 51)

22      [6] searching the digital works stored on the remote server for
23      the desired digital work specified by the identification data
24      associated with the card identifier displayed on the outer
25      surface of the purchased card in the received request; (FF 39,
26      40, 49, 51, 58, and 59)

27      [7] identifying the digital work based upon the received
28      identification data; (FF 39, 40, 49, and  51)

29      [8] transmitting the desired digital work from the remote server
30      through the communications network (FF 44, 49, and 51) to the
31      customer node; (FF 49 and 51)

32      [9] receiving at the customer node (FF 49 and 51) the desired
33      digital work (FF 35, 44, 49, and 51); and

34      [10] storing the desired digital work (same as in step [9])

1        on a memory of the customer node (same as in step [9])

2        such that the digital work is available for subsequent use

3        (FF 35, 49, 51, and 57) by the customer at the customer

4        node after the customer logs off of the remote server. (FF

5        49, 51, and 57)

6    Next the level of ordinary skill in the pertinent art is resolved.  We

7    find that the pertinent arts include internet communications and

8    communication protocols, file systems and file transfer systems and

9    protocols, sales systems in general and those for analog and digital signal

10   products in particular, and network security and authorization systems (FF

11   60).  The level of ordinary skill would be that of one in designing,

12   specifying, programming, and modifying systems in these arts (FF 61).

13   Against this background, we further find that one of ordinary skill

14   would have combined Reber and Freeny based on their teachings and the

15   knowledge of such a one of ordinary skill.  Reber describes controlling the

16   usage of the card (FF 21, 37, 38, 40, 42, and 43).  However, Reber does not

17   describe the implementation of the status setting process within controlling

18   its usage.  Thus, one of ordinary skill would have looked to an

19   implementation mechanism.  Freeny describes such an implementation

20   mechanism for downloading digital data.  Thus, one of ordinary skill would

21   have consulted Freeny as an example of an implementation mechanism for

22   Reber's setting of status.  We conclude that it would have been obvious to a

23   person of ordinary skill in the art to have applied Freeny's teachings of

24   selling digital downloads and its mechanism for setting the status for

25   controlling downloads to Reber.

26   Similarly, Freeny describes the sale of downloaded digital information

27   and describes the implementation of both an inquiry of the status of the

1   information and the download of the information.  However, Freeny does

2   not describe the implementation of entering the codes to access the

3   information into the system.  Thus one of ordinary skill would have

4   consulted Reber as an example of an implementation mechanism for

5   Freeny's entry of codes.

6       We conclude that it would have been obvious to a person of ordinary

7   skill in the art to have applied Reber's teachings of using a card with

8   identifying data as a mechanism for entering codes to Freeny.

9   *Appellant's Arguments*

10      The Appellant set forth his contentions in Appeal Br. 5-14, Reply Br.

11  2-15, and Request for Rehearing 3-21.  We take up each of these arguments

12  here.

13  *Appeal Brief Arguments*

14      Appeal Br. 5-6 introduces the arguments that are subsequently

15  presented.  Appeal Br. 6:Bottom ¶ - 7:Top ¶ recites portions of claim 1.  The

16  first argument is made in Appeal Br. 7:First full ¶, which contends that

17  Reber "relates to <u>a very different invention</u>."  The Appellant contends that

18  Reber relates to a network navigation device that includes a human viewable

19  image intuitively associated with a resource and machine-readable data for

20  navigating to an electronic address.

21      The Appellant selectively discusses Reber's contents without

22  explaining where the argued differences occur.  Reber describes a card that

23  displays an identifier which may be entered into a terminal to cause a file to

24  be downloaded.  When so described, the apparent difference suggested by

25  the Appellant vanishes.  We find no difference from the claim 1 requirement

1    that a card identifier is displayed on an outer surface of the card, the card

2    identifier being a code that includes the desired digital work's identification

3    data to uniquely identify the digital work and the package and card being

4    purchased (claim 1, elements 2b1 and 2b2).  The card identifier is disclosed

5    as having a bar code embodiment (FF 09).  Reber describes such a bar code

6    identifier (FF 31).

7          The Appellant contends that there is no teaching or suggestion in

8    Reber of digital works and/or packages or cards displaying a description of

9    the content of a digital work to be downloaded.  The Appellant refers to the

10    Specification reciting examples of digital works that are given. Specification

11    4 states: "The digital work may be a book, a periodical subscription (such as

12    a newspaper or magazine), a song or collection of songs, a movie, a software

13    program, or the like." (Appeal Br. 7:Bottom two full ¶'s; See also FF 01).

14          We take these arguments to mean that the Appellant is calling for

15    evidence that the art describes the "card identifier being displayed" and

16    "uniquely identify the digital work" claim limitations.  These arguments

17    have not persuaded us of error in the Examiner's rejection as we find that the

18    evidence of record teaches these limitations.  As discussed *supra*, we find

19    that Reber describes cards  (FF 27) which provide human viewable data (FF

20    28, 29, and 33) and machine readable data that are used to navigate (FF 34)

21    to digital works such as audible and/or visual information (i.e., an animation

22    file, a movie file, and an audio file) (FF 36); cards (FF 27); card packages

23    (FF 28).

24          The Appellant next refers to the Final Office Action finding that

25    Reber does not teach or suggest purchasing from a retail merchant a package

26    including a card associated with a desired digital work, sending a request

1    from a merchant node associated with the retail merchant to a remote server

2    to set a status of a desired digital work available for one-time access and

3    wherein a desired digital work is received at the customer node and stored

4    on a memory of the customer node such that the digital work is available for

5    subsequent use by the customer at the customer node after the customer logs

6    off of the remote server (Appeal Br. 7:Bottom ¶ - 8).

7         We are not persuaded of error in the Examiner's rejection by this

8    argument. An obviousness finding does not require an explicit teaching or

9    suggestion, *see KSR, id.* at 1740-41. Also, "[h]elpful insights … need not

10    become rigid and mandatory formulas; and when it is so applied, the

11    [teaching-suggestion-motivation] test is incompatible with … precedents."

12    *id.* 127 S.Ct. at 1741. Substantively, the Appellant is arguing that Reber

13    does not show the subject matter for which Freeny is applied and is

14    overlooking the portions of Reber that describe claimed subject matter.

15         We first consider what Reber does describe. We find that Reber

16    describes prepaid cards, which are necessarily purchased, by virtue of being

17    prepaid and conveyed, prior to use (FF 21); a package (FF 28) including a

18    card (FF 27) associated with a desired digital work (FF 34 and 35); sending

19    a request from a node associated with a remote server to set a status of a

20    desired digital work (FF 40) available for one-time access (FF 41); and

21    wherein a desired digital work is received at a node and stored on a memory

22    (FF 36 – ftp file transfer), the node at which the digital work is received

23    being a customer node in Reber's prepaid card embodiment, because the

24    card was purchased and the user is therefore a customer (FF 21), such that

25    the digital work is available for subsequent use by the customer at the

26    customer node after the customer logs off of the remote server (FF 57).

1    "Under the correct analysis, any need or problem known in the field

2    of endeavor at the time of invention and addressed by the patent can provide

3    a reason for combining the elements in the manner claimed." *KSR, id.* at

4    1742.  Reber describes card embodiments as having been prepaid and thus

5    implicitly having been purchased prior to use (FF 21), but Reber does not

6    describe such a purchase occurring at a retail merchant *per se*.  Freeny

7    describes a retail merchant (FF 46).  Clearly, Reber presents a problem of

8    selecting a sales channel that Freeny answers.  Further, one cannot show

9    nonobviousness by attacking references individually where the rejections are

10   based on combinations of references.  *In re Keller*, 642 F.2d 413, 426

11   (CCPA 1981).

12       The Appellant next argues that, in contrast to the invention set forth in

13   Appellant's independent claims, Reber relates to a navigation device having

14   human-viewable images associated with a resource (e.g., a web-page) and

15   machine-readable data for automatically navigating to that electronic address

16   (e.g., of the web-page) when it is read by a data device such that a user does

17   not have to type in an electronic address or other information.  The

18   Appellant contends that this is very different than Appellant's claimed

19   invention as set forth in independent claims 1 and 9 in which a user may

20   send a request to access a desired digital work from a customer node through

21   a communications network to a remote server, in which the request specifies

22   the desired digital work's identification data included in the card identifier

23   displayed on the outer surface of the purchased package.  In some

24   embodiments, the Appellant argues that the claimed invention typically

25   requires that the user type in identification data after previously manually

26   logging onto a website (Appeal Br. 8).

1    We take this argument as implying that Reber is non-analogous art,

2    but do not find it to be persuasive of error in the Examiner's rejection. We

3    disagree with Appellant's characterization of Reber. Appellant's arguments

4    overlook those portions of Reber that describe the claimed subject matter.

5    We find that Reber describes a user sending an ftp request to access a

6    desired digital work from a node through a communications network to a

7    remote server (FF 35 and 36) and the request specifying the desired digital

8    work's identification data included in the card identifier displayed on the

9    outer surface of the purchased package (FF 23 and 34). When the user uses

10   a prepaid card to do so, the user is a customer by virtue of having purchased

11   the prepaid card, and the node is then a customer node (FF 21).

12   Further the argument, that the claim requires typing identification

13   data, is not persuasive as it is not commensurate with the scope of the claim.

14   Claim 1 includes no recitation of typing data. Rather, claim 1 requires that

15   the information be sent (see copy of claim 1 reproduced *supra*, limitations 3

16   and 4), and is silent as to how the information that is sent is entered.

17   The Appellant next argues that Reber does not teach or suggest

18   purchasing from a retail merchant a package including a card associated with

19   the desired digital work in which the card includes a card identifier being

20   displayed on the outer surface of the card that includes a code having the

21   desired digital work's identification data to uniquely identify a digital work

22   and the package and card being purchased. The Appellant further argues

23   that Reber does not teach or suggest an outer surface of a card or package

24   further displaying a description of content of a digital work to be

25   downloaded. The Appellant further contends that Reber does not teach or

26   suggest the purchasing of digital works, via a card, or sending a request to

1 access the desired digital work from a customer node or storing the desired

2 digital work on a memory of the customer node such that the digital work is

3 available for subsequent use by the customer at the customer node after the

4 customer logs off the remote server. The Appellant contends this is because

5 Reber does not relate to the purchase, authorization for purchase, and

6 transmission of digital works to customers at their customer node. The

7 Appellant argues that Reber is related to a totally different invention for

8 enabling access to a resource web page by utilizing a data reader to

9 automatically link a user to a web-site (Appeal Br. 9:First through fourth

10 ¶'s).

11      The Appellant's arguments assert a lack of a teaching or suggestion,

12 but the Appellant overlooks many of the teachings and suggestions that

13 Reber does provide. The Appellant has taken the entire teaching of Reber as

14 to the creation of a, potentially prepaid, card that contains a visual identifier

15 of a digital work for download as claimed, and condensed it down to arguing

16 Reber produces a give-away, arguing that lack of payment negates the

17 presence of a merchant, customer and purchase and thus arguing the

18 inapplicability of Reber.

19      When a work is available in one field of endeavor, design incentives
20      and other market forces can prompt variations of it, either in the same
21      field or a different one. If a person of ordinary skill can implement a
22      predictable variation, § 103 likely bars its patentability. For the same
23      reason, if a technique has been used to improve one device, and a
24      person of ordinary skill in the art would recognize that it would
25      improve similar devices in the same way, using the technique is
26      obvious unless its actual application is beyond his or her skill.

27 *KSR, id.* at 1740. Certainly providing for free, an item of value, which was

28 formerly purchased, alone, is a market force within the scope of what the

1  Supreme Court was articulating in *KSR*. Thus mere free distribution by

2  Reber cannot negate the applicability of Freeny's authorization method

3  descriptions (FF 49 and 51) as a mechanism for Reber's usage control, or of

4  Freeny's description of using a merchant's point of sale location for the

5  channel to distribute cards such as Reber's, particularly Reber's prepaid

6  cards (FF 21).

7      As to the teachings Reber provides, we find that Reber describes

8  distributing a package including a card associated with the desired digital

9  work in which the card includes a card identifier being displayed on the

10 outer surface of the card that includes a code having the desired digital

11 work's identification data to uniquely identify a digital work and the package

12 and card being purchased (FF 21-24). Reber describes the cards as having

13 value, being prepaid, and thus having been purchased by the time of use (FF

14 21), but not purchasing them at a retail merchant *per se*. Freeny describes a

15 purchase at a retail merchant (FF 46).

16     We find that Reber describes the purchasing of digital works, via a

17 card (FF 21), sending an ftp request to access the desired digital work from a

18 node (FF 35 and 36) and storing the desired digital work on a memory of the

19 requesting node such that the digital work is available for subsequent use by

20 the user at the requesting node after the user logs off the remote server ftp

21 session (FF 35 and 36). We further find that enabling access to a resource

22 web page by utilizing a bar code data reader to automatically link a user to a

23 web-site that is searched for a resource is within the scope of the claims,

24 since the Specification discloses a bar code as an embodiment of an

25 identifier (FF 09) and linking in Reber includes a database search for the

26 resource (FF 39 and 58).

1       The Appellant next contends that Reber does not teach or suggest a

2   method for distributing digital works among a retail merchant having a

3   merchant node, a remote server, and a customer on a customer node (Appeal

4   Br. 9:Fifth and Sixth ¶'s).

5       Similar to the arguments discussed above, Appellant is arguing that

6   Reber lacks what Freeny is applied for, and overlooks the teachings of Reber

7   that do describe the contended limitations.  We find that Reber describes a

8   method for distributing digital works among a remote server and user on a

9   node via ftp (FF 35 and 36), the node is used by a user who is a customer in

10  Reber's prepaid card embodiment by the time of use, having purchased the

11  prepaid card by that time (FF 21) and Freeny describes a method for

12  distributing digital works among a retail merchant having a merchant node, a

13  remote server, and a manufacturing node that is analogous to Reber's user

14  on a user node (FF 50).  "Common sense teaches … that familiar items may

15  have obvious uses beyond their primary purposes, and in many cases a

16  person of ordinary skill will be able to fit the teachings of multiple patents

17  together like pieces of a puzzle."  *KSR, id.* at 1742.  Thus, Appellant's

18  arguments in the fifth and sixth paragraph of the Appeal Brief have not

19  convinced us of error in the Examiner's rejection.

20      The Appellant next contends there can be no motivation to combine

21  Reber and Fiala, because Reber teaches away from purchasing.  The

22  Appellant argues that Reber is directed to providing easy access to a web-

23  site resource, not purchasing a card at a retailer and authorizing access to a

24  digital work for the purchaser of the card.  The Appellant argues that Reber

25  directly teaches away from purchasing a card because the navigation devices

26  of Reber are meant to be distributed freely to potential customer through

1    inserts in magazines, books, newspapers, through the mail, distributed freely

2    as business cards, etc. They are not to be purchased in a retail store with

3    retailer activation (Appeal Br. 9:Last ¶-11:Third ¶).

4          As discussed above we are not persuaded by Appellant's arguments

5    directed to Reber's embodiments of free cards. As discussed above, these

6    arguments overlook Reber's prepaid card embodiment. Appellant has not

7    persuaded us that the distinction between free distribution and revenue based

8    distribution can support patentability. As *KSR, id.* at 1740 stated, market

9    forces can create obvious variations. There is little difference between paid

10    and free distribution other than market forces. This is supported by the

11    references in Reber to alternatively limiting the use of the card to a prepaid

12    dollar balance (FF 37, 38, and 42). Thus Reber does not teach away from

13    prepaid cards as used in Fiala.

14          The Appellant further contends that, even if Reber was properly

15    combinable with Fiala, this combination would still not teach the Appellant's

16    claim limitations, and that Fiala likewise teaches away from a combination

17    with Reber. The Appellant argues that Fiala relates to pre-paid debit cards

18    to enable metered accounts for the purpose of purchasing goods and services

19    and not to digital works, packages or cards displaying a description of the

20    content of a digital work to be downloaded, sending a request from a

21    merchant node associated with the retail merchant to a remote server to set

22    the status of a desired digital work as available for one-time access (Appeal

23    Br. 11: Fourth ¶ - 13:Third ¶).

24    The Appellant overlooks Freeny as one of the applied references. We find

25    that the combination of Reber and Freeny are combinable to reach the

26    Appellant's claimed invention. The Examiner applied Fiala for its

1    description of debit cards and their authorization transactions, but Fiala's

2    descriptions of these are cumulative and chiefly serve to show that debit

3    cards with their associated authorization are old in the art (FF 53) as context

4    within which one of ordinary skill would understand purchase transactions

5    such as would be implied by Freeny's prepaid card embodiment (FF 21)

6    occur.  We find both Reber and Freeny describe downloading digital works

7    ( FF 35, 36, 49, and 51), Reber describes packages or cards displaying a

8    description of the content of a digital work to be downloaded (FF 20, 22, 23,

9    and 26-31, and particularly 33 and 35 for uniquely describing), and Freeny

10   describes sending a request from a merchant node associated with the retail

11   merchant to a remote server to set the status of a desired digital work as

12   available for one-time access (FF 49 and 51).

13          The Appellant next contends that it is improper to combine Reber,

14   Fiala, and Freeny.  The Appellant contends that Freeny teaches a point of

15   sale location to which a customer goes to purchase material objects which

16   they can later use at home.  The Appellant argues that even if Reber, Fiala,

17   and Freeny, were properly combinable, their combination would still not

18   teach or suggest storing a desired digital work on a memory of the customer

19   node such that digital work is available for subsequent use by the customer

20   at the customer node after the customer logs off of the remote server.  The

21   Appellant argues that Freeny does not teach storing a digital work on a

22   memory of the customer node such that the digital work is available for

23   subsequent use after the customer logs off the remote server (Appeal Br.

24   13:Third full ¶ - 14).

25          The Appellant does not explain the pertinence of the first argument

26   regarding the point of sale location.  We find that whether Freeny teaches a

1  point of sale location to which a customer goes to purchase material objects

2  which they can later use at home does not diminish its teaching value of an

3  authorization implementation for Reber to apply to its downloading with a

4  usage limitation to a node. "When a work is available in one field of

5  endeavor, design incentives and other market forces can prompt variations of

6  it, either in the same field or a different one." *KSR, id.* at 1740. The

7  Appellant's second argument is also vague, but we take the Appellant to be

8  taking issue with the location and medium which Freeny uses for download.

9  As to the location, the claim does not specify the location of its customer

10 node. Since Freeny's manufacturing machines are located at point of sale

11 locations (FF 50), and a customer is similarly located at a point of sale

12 location, by definition of "point of sale," Freeny's manufacturing machine is

13 at least a customer node by virtue of being located with Freeny's customer.

14 As to the medium, Freeny describes that this can be computer disks (FF 48)

15 connected to Freeny's manufacturing machines. The memory to which the

16 claimed subject matter is downloaded in the claim is described in the

17 Specification as being, by way of example, a computer disk (FF 03). Thus,

18 Freeny's medium is within the scope of that disclosed by the Appellant.

19       None of the Appellant's arguments in the Appeal Brief convince us of

20 reversible error on the part of the Examiner.

21 *Reply Brief Arguments*

22       The Appellant initially contends that the Examiner has misconstrued

23 the teachings of Reber and independent claims 1 and 9. The Appellant

24 contends that Reber relates to a network navigation device having human-

25 viewable images associated with a resource (e.g., a web-page) and machine-

26 readable data for automatically navigating to that electronic address (e.g., of

1    the web-page) when it is read by a data device such that a user does not have

2    to type in an electronic address or other information (Reply Br. 2 - 4: Second

3    ¶).

4          The Appellant further argues that the teachings of Reber, related to a

5    network navigation device having a code that can be automatically read by

6    specialized equipment, do not teach or suggest the Appellant's limitations

7    related to a card associated with a digital work in which the card includes a

8    card identifier displayed on the outer surface of the card ... the card identifier

9    being a code that includes the desired digital works identification data to

10    uniquely identify the digital work and the package and the card being

11    purchased and in which the outer surface of the card or the package further

12    displays a description of the content of the digital work to be downloaded

13    (Reply Br. 4: Third ¶).

14          The Appellant is overlooking the more pertinent portions of Reber.  It

15    is Reber's machine readable code displayed on Reber's card that includes

16    the desired digital work's identification data to uniquely identify the digital

17    work. The other images with Reber's card provide additional identification,

18    but Reber's machine readable code provides the contended limitation.  We

19    find that Reber describes a card associated with a digital work, in which the

20    card includes several card identifiers displayed on the outer surface of the

21    card (FF 20, 22, 23, 26-31, and 33).  One of the card identifiers is a code that

22    includes the desired digital work's identification data to uniquely identify

23    the digital work (FF 23, 33, and 35).  Reber teaches that the package and the

24    card had been purchased prior to the card being used, as Reber teaches that

25    the card is prepaid (i.e. paid for before being used) (FF 21). Further, the

1    outer surface of the card or the package displays a description of the content

2    of the digital work to be downloaded (FF 20, 23, 33, and 35).

3          The Appellant next contends that although Reber does disclose

4    transmitting content over the Internet, that this takes place in the context of

5    downloading content associated with a resource (e.g., a web page) that has

6    been automatically navigated to by an electronic address (e.g., of the web-

7    page) that has been automatically read by a data reading device such that a

8    user has been automatically directed to a web-page of a sponsor associated

9    with the network navigation device. The Appellant argues that there is no

10   teaching or suggestion in Reber of digital works and packages or cards

11   displaying a description of the specific type of content of a digital work that

12   is to be downloaded.  The Appellant points to examples of digital works in

13   the Specification, such as page 4, which states: "The digital work may be a

14   book, a periodical subscription (such as a newspaper or magazine), a song,

15   or a collection of songs, a movie, a software program, or the like."  The

16   Appellant contrasts these examples with the content of Reber, which the

17   Appellant characterizes as related to unspecified content not known to the

18   user beforehand related to whatever the sponsor of the web-page wants to

19   direct to the user's attention to.  The Appellant concludes that Reber is

20   related to a totally different invention for enabling access to a resource web

21   page by utilizing a data reader to automatically link a user to a sponsor's

22   web-site (Reply Br. 4:Bottom ¶ - 5:Third full ¶).

23          Again, the Appellant overlooks Reber's other descriptions. We find

24   that Reber describes examples of digital works (FF 36) that include movies

25   and software programs which are the types of digital works discussed in

26   Appellant's Specification. Reber describes packages or cards displaying a

1    description, both in visually displayed bar code and with metaphoric images

2    (FF 20, 22, 23, 26-31, and 33), of the specific type of content of a digital

3    work that is to be downloaded, such as a book (FF 23, 33, and 35). Of these

4    findings, FF 33 describing an image of a book with the printed download

5    code in its caption to describe the content that is to be downloaded is

6    particularly specific.

7         The Appellant further argues that Reber does not teach or suggest

8    purchasing from a retail merchant a package including a card associated with

9    the desired digital work, sending a request from a merchant node associated

10    with the retail merchant to a remote server to set a status of a desired digital

11    work as available for one-time access and wherein a desired digital work is

12    received at the customer node and stored on a memory of a customer node

13    such that the digital work is available for subsequent use by the customer at

14    the customer node after the customer logs off of the remote server. The

15    Appellant argues that the claimed invention in which a user may send a

16    request to access a desired digital work from a customer node through a

17    communication network to a remote server, in which the request specifies

18    the desired digital works identification data included in the card identifier

19    displayed on the outer surface of the purchase package, is very different

20    from Reber. The Appellant argues that the claimed invention typically

21    requires that the user type the identification data after previously manually

22    logging on to a web site. The Appellant further argues that nowhere does

23    Reber teach or suggest an outer surface of the card or package displaying a

24    description of content of a digital work to be downloaded. The Appellant

25    contends that this is because Reber does not relate to the purchase,

26    authorization for purchase, and transmission of specific digital works to

1    customers at the customer node.  The Appellant further contends that Reber

2    is related to a totally different invention related to a network navigation

3    device having a code that can be automatically read by specialized

4    equipment to enable access to a resource web page wherein the sponsor of

5    the resource is identified by a logo or other graphical representation on the

6    network navigation device (Reply Br. 5: Bottom ¶ - 6: Last full ¶).

7    　　　　The Appellant is arguing that Reber is not directed to the claimed

8    invention. "In determining whether the subject matter of a patent claim is

9    obvious, neither the particular motivation nor the avowed purpose of the

10   patentee controls.  What matters is the objective reach of the claim.  If the

11   claim extends to what is obvious, it is invalid under § 103." *KSR, id.* at

12   1741-42.  We find that Reber implies having paid for and therefore

13   purchased a prepaid card associated with the desired digital work prior to

14   use of the card (FF 21), setting a status in the form of a usage limit of a

15   desired digital work as available for one-time access (FF 41), and wherein a

16   desired digital work is received at the download node and stored on a

17   memory of a download node such that the digital work is available for

18   subsequent use by the user at the download node after the user logs off of the

19   remote server (FF 34, 35, and 57).  In Reber's prepaid card embodiment, the

20   user would have purchased the card prior to use, and would therefore be a

21   customer, and the download node would be a customer node (FF 21).  We

22   find that Freeny describes purchasing a download from a retail merchant (FF

23   46) and sending a request from a merchant node associated with the retail

24   merchant to a remote server to set a status of a desired digital work as

25   available for one-time access (FF 49 and 51).

1    We further find that the Appellant's argument that the invention

2    typically requires that the user type the identification data is not

3    commensurate with the scope of the claim, as the claims do not recite typing

4    or any other specific manner of data entry.  We further find that the

5    Specification provides examples of a bar code scanner and magnetic reader

6    as alternative input mechanisms for the merchant and, by implication,

7    customer computers (FF 06, 09, and 10).  We also find that the Specification

8    and claims as originally filed do not disclose manually logging off a web

9    site, and therefore do not support the claim limitation of logging off.  On the

10   other hand, Reber's ftp process (FF 35 and 36) requires logging on and off,

11   between which, an ftp command downloads digital content (FF 57).

12   We further find that Reber describes an outer surface of the card or

13   package displaying a description of content of a digital work to be

14   downloaded (FF 20, 22, 23, 26-31, and 33).

15   The Appellant next *acknowledges the portions cited by the Examiner*

16   *in which Reber describes metering the use of its prepaid card embodiment.*

17   The Appellant contends that all the Reber references to this refer to

18   monitoring a usage parameter associated with the network navigation

19   device.  Particularly, the Appellant argues that all of the Reber descriptions

20   of usage limiting relate to monitoring the usage of a user that has been

21   automatically directed to the web-page of a sponsor by the network device

22   of Reber.  The Appellant argues that there is no teaching or suggestion in

23   Reber of purchasing from a retail merchant a package including a card

24   associated with a desired digital work, sending a request from a merchant

25   node associated with the retail merchant to a remote server to set a status of

26   a desired digital work available for one-time access such that the desired

1    digital work may be received at a customer node and stored on a memory of

2    a customer node such that the digital work is available for subsequent use by

3    the customer. Appellant argues that Reber's network navigation device that

4    automatically enables access to a web page by utilizing a data reader to

5    automatically link a user to a sponsor's web-site in no way teaches or

6    suggests Appellant's claims related to obtaining a one-time download of a

7    digital work that was purchased from a retail merchant wherein the card

8    and/or package describes the digital work that was purchased by the

9    consumer (Reply Br. 6:Bottom ¶ - 7:Last full ¶).

10        The Appellant is arguing the lack of an explicit teaching or

11   suggestion. *See KSR, id.* at 1741. While all the Reber descriptions of its

12   usage parameter refer to monitoring a usage parameter associated with the

13   network navigation device (FF 21 and 37-43), we find these descriptions

14   describe the claim limitation of "a status of the desired digital work as

15   available for one-time access based on the card identifier of the card

16   associated with the digital work." See FF 41 in particular. We find that the

17   argument that all of the Reber descriptions relate to monitoring the usage of

18   a user that has been automatically directed to the web-page of a sponsor by

19   the network device of Reber is not commensurate with the scope of the

20   claim. The claim limitation of "searching for the desired digital work" does

21   not preclude assistance in such a search by directing the search to a

22   particular web-page. Further, such direction to a page is merely a file

23   selection from a directory search (FF 59) that Reber's resource computer

24   uses to find the resource. For example, Reber also describes an embodiment

25   that only provides the resource name instead of a complete link. A reference

1    to a name alone is insufficient to directly access a file; it must be searched

2    first (FF 40).

3        We further find that Freeny describes purchasing from a retail

4    merchant a download package (FF 46), Reber describes a card associated

5    with a desired digital work (FF 22, 23, and 26-31), and Freeny describes

6    sending a request from a merchant node associated with the retail merchant

7    to a remote server to set a status of a desired digital work available for one-

8    time access such that the desired digital work may be received at a node

9    used to supply a customer and stored on a memory of that node such that the

10   digital work is available for subsequent use by the customer (FF 49 and 51).

11   Reber describes such a download node as being that of the card owner (FF

12   35 and 36).  Both download nodes in Reber and Freeny collect the digital

13   work on media in which the work remains available after the download

14   process terminates.  The only distinction between Reber and Freeny is the

15   owner of the node, in both Reber and Freeny the download at the node is for

16   the benefit of the person obtaining the digital work, who is a customer in

17   Freeny, and a user in Reber, but who would be a customer if using a card for

18   which the user had prepaid in Reber.  Reber's card provides a mechanism

19   for easily entering the identifying data and controlling data access with its

20   card, and for obtaining payment in advance of a download with prepaid

21   embodiments.  As a result, one of ordinary skill, seeking to reduce the

22   investment required in Freeny, would have recognized this could be done by

23   shifting the download target from a merchant owned node to a user owned

24   node, because these features eliminate the need for a separate manufacturing

25   machine in Freeny.

1        The Appellant next contends that Reber teaches away from the

2    Appellant's claimed invention, and further, Fiala does not teach or suggest

3    the limitations for which it is set forth by the Examiner.  The Appellant

4    further contends that the Examiner is engaging in the act of impermissible

5    hindsight reconstruction.  The Appellant contends that the Examiner found

6    that Reber does not disclose details about marketing Reber's network

7    navigation device in retail stores but that Fiala allegedly teaches users using

8    pre-paid cards that meter access to services, various ways to manufacture

9    pre-paid cards, and displaying and selling packaged pre-paid cards at a retail

10   store.  The Appellant disagrees with the Examiner regarding motivation to

11   alter Reber with Fiala to in hindsight approximate Appellant's independent

12   claim (Reply Br. 7: Bottom ¶ - 9:Top ¶).

13       Again, it is not necessary that the art recite an explicit teaching and

14   suggestion.  *See KSR, id.* at 1741. We find that although Reber is silent as to

15   marketing details, both Freeny and Fiala describe selling.  Freeny describes

16   selling digital downloads (FF 46).  Fiala describes selling prepaid debit cards

17   (FF 53) and waiting until the time of payment to authorize them for use (FF

18   56).  While Fiala does not describe using such prepaid cards for digital

19   downloads, Fiala does not discourage one of ordinary skill from such a use,

20   and so cannot be said to teach away from such use.  "The prior art's mere

21   disclosure of more than one alternative does not constitute a teaching away

22   from any of these alternatives because such disclosure does not criticize,

23   discredit, or otherwise discourage the solution claimed...." *In re Fulton*, 391

24   F.3d 1195, 1201 (Fed. Cir. 2004).  We further find that there is no need to

25   alter Reber with Fiala because Fiala is merely cumulative with Reber's

1    description of a prepaid card with limited usage (FF 20 and 21). We find

2    that Freeny describes purchasing a download from a retail merchant (FF 46).

3            The Appellant next contends that Reber directly teaches away from

4    purchasing a card at a retailer and authorizing access to a specific digital

5    work for the purchaser of the card, because Reber is directed to providing

6    easy access to a web-site resource. In support of this argument, Appellant

7    points to several portions of Reber describing free distribution of cards. The

8    Appellant concludes that as set forth in Reber itself, the navigation devices

9    of Reber are meant to be distributed freely to potential customers through

10   inserts in magazines, books, newspapers, through the mail, and distributed

11   freely as business cards, etc. The Appellant contends that Reber's cards are

12   not amenable to modification for purchase in a retail store and to implement

13   retailer activation. The Appellant describes Reber's cards' very advantage

14   as that they are inexpensive and can be distributed freely to direct people to

15   a web-site of a sponsor for future commercial activity. The Appellant

16   concludes that Reber directly teaches away from using the navigation

17   devices in a retail or purchasing manner in order to approximate Appellant's

18   independent claims, such as: purchasing from a retail merchant a package

19   including a card associated with a desired digital work sending a request

20   from a merchant node associated with the retail merchant to a remote server

21   to set a status of a desired digital work as available for one-time access, etc.

22   The Appellant argues that because Reber directly teaches away from the

23   Examiner's proposed combination with Fiala to teach Appellant's claims

24   limitations, that there is no motivation for such a combination, and that

25   therefore, Reber and Fiala are not properly combinable to approximate

26   Appellant's independent claims 1 and 9. The Appellant further argues that

1    Fiala likewise teaches away from a combination with Reber to approximate

2    Appellant's claim limitations because Fiala relates, in general, to packaging

3    for well-known pre-paid debit cards, in particular, a package for holding a

4    data-encoded card associated with a metered account and a method of using

5    the package and card combination to activate the metered account with a

6    certain pre-determined value at the time of purchase of the card and package

7    combination." The Appellant contends that Fiala relates to pre-paid debit

8    cards to enable metered accounts for the purpose of purchasing goods and

9    services, and that there is no teaching or suggestion of Fiala of digital works,

10   packages, or cards displaying a description of the content of a digital work to

11   be downloaded, and sending a request from a merchant node associated with

12   the retail merchant to a remote server to set the status of a desired digital

13   work as available for one-time access (Reply Br. 9:Second ¶ - 11:Second

14   full ¶).

15       This is another argument that selling for payment that which was free

16   is a patentable distinction. It is difficult to see how pricing alone can create

17   a patentable distinction. "When a work is available in one field of endeavor,

18   design incentives and other market forces can prompt variations of it, either

19   in the same field or a different one." *KSR, id.* at 1740. Pricing is certainly a

20   variation subject to market forces.

21       We find that Reber's description of cards distributed freely to

22   potential customers through inserts in magazines, books, newspapers,

23   through the mail, and as business cards does not discourage one of ordinary

24   skill from practicing the prepaid embodiment of Reber's cards (FF 21). *See*

25   *Fulton, id.* We find that prepaid cards are, as described by Fiala, typically

26   purchased in a retail store and thus require retailer activation (FF 56).

1    Adding the activation feature taught by Fiala works to further prevent theft

2    and fraud (FF 55).

3           While among Reber's cards' advantages may be that they are

4    inexpensive, such economy is equally useful in creating prepaid cards,

5    which are for prepaid purchase.  Thus, we find that Reber does not teach

6    away from using the navigation devices in a retail environment or from

7    purchasing the cards.  Thus, Reber does not negate its own suggestion of the

8    use of a prepaid card, and Fiala merely provides evidence of the notoriety of

9    prepaid cards.

10          Similarly, we find that Fiala does not teach away from the claimed

11   invention because whether Fiala fails to describe digital works, packages, or

12   cards displaying a description of the content of a digital work to be

13   downloaded, and sending a request from a merchant node associated with

14   the retail merchant to a remote server to set the status of a desired digital

15   work as available for one-time access is not probative of whether Fiala

16   discourages such subject matter. *See Fulton, id.*

17          The Appellant next contends that Fiala is not related at all to digital

18   works, but only pre-paid debit cards for pre-paid meter accounts with a

19   certain pre-determined amount of value.  The Appellant argues that Fiala is

20   only related to card activation in terms of these types of pre-paid debit cards

21   and in no way teaches or suggests Appellant's claim limitations related to

22   sending a request from a merchant node associated with the retail merchant

23   to a remote server to set a status of a desired digital work as available for

24   one-time access based on the card identifier of the card associated with the

25   digital work, receiving at the remote server the request to access the desired

26   digital work, searching the desired digital work stored on the remote server

53

1   for the desired digital work specified by the identification data associated

2   with the card identifier displayed on the outer surface of the purchase card

3   and the received request.  Instead, the Appellant argues that Fiala teaches the

4   activation of services, such as telephone service, and other types of goods

5   and services that can be purchased in a store.  The Appellant argues that

6   Fiala's intended function of providing a metered account with a pre-

7   determined balance for multiple transactions would be destroyed by trying to

8   modify it to teach sending a request from a merchant node associated with a

9   retail merchant to a remote server to set a status of a desired digital work as

10  available for one-time access.  The Appellant also argues that the intended

11  function of Fiala would be destroyed if it were attempted to be modified

12  away from a pre-paid debit card with a metered account for multiple

13  transactions for goods and services to a one-time access based on a card

14  identifier of a card for a digital work.  The Appellant further argues that

15  nowhere does Fiala teach or suggest digital works, sending requests to

16  merchant nodes for digital works, or searching digital works stored on a

17  remote server for desired digital works specified by a card (Reply Br.

18  11:Third full ¶ - 13:Second full ¶).

19          We find that Fiala describes the known generic features of prepaid

20  cards, which provide further evidence, but are otherwise cumulative with the

21  teachings in Reber and Freeny.  Thus, Fiala describes prepaid cards, such as

22  used by Reber, that are put to a use that Fiala does not describe.  "Common

23  sense teaches … that familiar items may have obvious uses beyond their

24  primary purposes, and in many cases a person of ordinary skill will be able

25  to fit the teachings of multiple patents together like pieces of a puzzle."

1    *KSR, id.* at 1742.  Thus, Reber describes a use for the ordinary prepaid card

2    of Fiala.

3           We find that sending a request from a merchant node associated with

4    the retail merchant to a remote server to set a status in the form of a metered

5    account of a card based on the card identifier of the card is described by

6    Fiala (FF 56).  As to the remaining claim elements cited by the Appellant,

7    Reber describes setting a status in the form of a usage limit of a desired

8    digital work as available for one-time access based on the card identifier of

9    the card associated with the digital work (FF 41), receiving at the remote

10   server the request to access the desired digital work and searching the

11   desired digital work stored on the remote ftp server for the desired digital

12   work specified by the identification data associated with the card identifier

13   displayed on the outer surface of the purchase card and the received request

14   (FF 35 and 36).  Nothing in Fiala discourages one of ordinary skill from

15   practicing these steps of Reber, and thus Fiala cannot be said to teach away

16   from the claimed invention.  *See Fulton, id.*  The Appellant's arguments that

17   Fiala's functions are exclusively that of providing multiple items or services

18   is simply not borne out by Fiala.  Fiala describes exemplary embodiments,

19   but in no way excludes the use of its cards to only those embodiments.

20   Rather, as described by Reber, such cards may be for one time or multiple

21   uses (FF 40-42).  Neither, use would is discouraged by Fiala.  Finally, we

22   find that Freeny describes digital works, sending requests to merchant nodes

23   for digital works, and searching digital works stored on a remote server for

24   desired digital works specified by a card (FF 46-51).

25          The Appellant next argues that Freeny teaches a point of sale location

26   to which a customer goes to purchase material objects which they can later

1    use at home. The Appellant also argues that there is no motivation to

2    combine Reber, with Fiala, and then with Freeny, except impermissible

3    hindsight reconstruction, and that even if Reber, Fiala, and now Freeny,

4    were properly combinable, Freeny does not teach or suggest Appellant's

5    claim limitations related to: transmitting the desired digital work from the

6    remote server through the communications network to the customer node,

7    receiving at the customer node the desired digital work, and storing a desired

8    digital work on a memory of the customer node such that digital work is

9    available for subsequent use by the customer at the customer node after the

10    customer logs off of the remote server (Reply Br. 13:Last full ¶ - 15:Third

11    full ¶).

12         The Appellant does not state how Freeny's teaching of a point of sale

13    location to which a customer goes to purchase material objects which they

14    can later use at home presents a patentability issue. To the extent the

15    Appellant is arguing that the point of sale location is not a customer node,

16    the only distinction is the characterization of a node as relating to a

17    customer, since the claim does not specify a location. Since Freeny's

18    manufacturing computer is used to create a digital work for a customer, it

19    can fairly be characterized as a customer node, as discussed, *supra*. Also,

20    Reber implies that with its prepaid card embodiment, the card, which is

21    prepaid prior to use, would have been purchased by virtue of having been

22    prepaid for by the time of use and therefore the user would be a customer,

23    and the user's node would be a customer node (FF 21).

24         As we found *supra*, Freeny provides an implementation for the

25    authorization mechanism required by Reber, and Reber provides an

26    implementation for the data entry mechanism required by Freeny. Thus,

1    each of Reber and Freeny suggests the describe the implementation

2    techniques missing from the other reference. "Under the correct analysis,

3    any need or problem known in the field of endeavor at the time of invention

4    and addressed by the patent can provide a reason for combining the elements

5    in the manner claimed." *KSR, id.* at 1742.

6          We find that Freeny describes transmitting the desired digital work

7    from the remote server through the communications network to the

8    manufacturing machine, receiving at the manufacturing machine the desired

9    digital work, and storing a desired digital work on a memory of the

10   manufacturing machine such that digital work is available for subsequent

11   use by the customer at the customer node after the customer logs off of the

12   remote server (FF 49 and 51). The manufacturing machine can be fairly

13   characterized as a customer node, as we construed, *supra*, since it is a node

14   for the benefit of a customer, and the claim does not require actual

15   ownership by a customer. Reber explicitly describes downloading, receiving

16   and storing via ftp to a customer node on a memory of the customer node

17   such that digital work is available for subsequent use by the customer at the

18   customer node after the customer logs off of the remote server (FF 35 and

19   36).

20   *Request for Rehearing Arguments*

21         The Appellant argues that even if the references are combinable, the

22   asserted combination does not disclose all of the required claim elements.

23   Specifically, the Appellant argues that none of Reber, Fiala, or Freeny

24   disclose, teach, or suggest the claim recitation of "storing the desired digital

25   work on a memory of the customer node such that the digital work is

1    available for subsequent use by the customer at the customer node after the

2    customer logs off of the remote server."

3         The Appellant is calling for evidence that the art describes a claim

4    limitation. We find that Freeny's manufacturing computer is used to create a

5    digital work for a customer (FF 46, 49, and 51), and so it can fairly be

6    characterized as a customer node, as we discussed, *supra*. We find that

7    Reber describes storing a desired digital work on a memory of the node such

8    that the digital work is available for subsequent use by the user at the node

9    after the user logs off of the remote server following an ftp transfer (FF 35,

10   36, and 57). Reber implies that in the prepaid card embodiment, the card,

11   which is prepaid for prior to use, would have been purchased by virtue of

12   having been prepaid for by the time of use. Therefore the user of the card

13   would be a customer, and the user's node would be a customer node (FF 21).

14        The Appellant argues that Freeny does not cure the deficiencies of

15   Reber in view of Fiala. The Appellant contends that Freeny uses the term

16   "point of sale location" to mean "retailer" and "retail outlet," and explicitly

17   states that "[t]he point of sale location is a location where a customer goes to

18   purchase material objects embodying predetermined or preselected

19   information." At the point of sale location, information is transferred to a

20   "material object," such as a cassette tape or eight-track. The Appellant

21   argues that the stated purpose of Freeny is to reduce the amount of inventory

22   and associated space a retailer must possess, and that at no point does Freeny

23   discuss a "customer node" which stores the digital work for subsequent use

24   by the customer at the customer node after the customer logs off of the

25   remote server. The Appellant contends that it is the customer node that is

26   connected to the remote server -- not a point of sale location. The Appellant

1    argues that claim 1 recites that a digital file is "stor[ed] on a memory of the

2    customer node" and "the digital file is available ... at the customer node after

3    the customer logs off from the remote server." The Appellant contends that

4    this is the same "customer node" that claim 1 earlier recites is "intermittently

5    coupled through a communications link" to the "remote server"; and the

6    same "customer node" that "send[s] a request to access the desired digital

7    work ... through the communications network to the remote server." The

8    Appellant argues that in Freeny, a cassette tape or eight-track is not

9    intermittently coupled to the remote server, and a cassette tape or eight-track

10    does not send a request to the remote server. The Appellant concludes that

11    Freeny does not disclose this element; and that the material objects recited

12    by Freeny are incapable of sending such a request to a remote server

13    (Request 5–8: Top ¶)).

14        This argument is an attempt to attack the rejection by attacking

15    references individually. One cannot show nonobviousness by attacking

16    references individually where the rejections are based on combinations of

17    references. *See Keller, id.* We find that Reber describes storing a desired

18    digital work on a memory of the customer node such that the digital work is

19    available for subsequent use by the customer at the customer node after the

20    customer logs off of the remote server following an ftp transfer (FF 35, 36,

21    and 57).

22        We find that, as to Freeny, this argument is not commensurate with

23    the scope of the claim. Freeny's manufacturing machine is a machine on a

24    network to which a digital work is downloaded for a customer when the

25    manufacturing machine is intermittently coupled to Freeny's information

26    control machine on a remote server (FF 49-51). Thus, Freeny's

1   manufacturing machine is within the scope of a customer node. Nothing in

2   claim 1 limits the phrase "customer node" so that it may not be at a point of

3   sale location. Indeed, the very placement at a point of sale location is

4   indicative of the manufacturing machine's use for a customer. Further, the

5   Specification discloses a kiosk, which is generally a device in a commercial

6   environment and frequently a point of sale device, as an embodiment of a

7   customer node (FF 04). Thus, not only is the claim broader than the

8   Appellant's argument; the Specification suggests an embodiment as in

9   Freeny. Finally, the Appellant's argument that the material objects recited

10  by Freeny are incapable of sending such a request to a remote server appear

11  irrelevant as Freeny is very clear that it is the manufacturing machine, not

12  the media that the manufacturing machine downloads to, that communicates

13  with the remote server's information control machine (FF 49-51).

14          The Appellant next contends that the combination of Reber, Fiala, and

15  Freeny, does not disclose the element of "searching the digital works stored

16  on the remote server for the desired digital work specified by the card

17  identifier." The Appellant contends that Reber discloses a network

18  navigation device that lists a particular network address, and assists the user

19  in arriving at that particular network address, but that Reber fails to disclose

20  the step of "searching the digital works stored on the remote server for the

21  desired digital work specified by the card identifier" for at least two (2)

22  reasons. First, the Appellant contends that the present invention is limited to

23  a search on a particular remote server; Reber discloses a network address

24  that may be located anywhere on a network. Second, the Appellant contends

25  that Reber directs a user to a specific location, it does not "search" a library

1   of digital works to find a specific one.  The Appellant argues that neither

2   Fiala or Freeny cure this deficiency (Request 8: Second and third ¶'s).

3          We find that the Appellant's first argument that the claim limits the

4   search to a particular server, is not commensurate with the scope of claim 1.

5   We find that the preamble of claim 1 recites "a remote server," which is

6   unconstrained other than in being remote.  The subsequent recitation of

7   searches being performed on that server does not restrict where that server

8   can be located.  Any server on the Internet, appropriately programmed,

9   would fall within the scope of claim 1's remote server.

10         We find that the Appellant's second argument fails in the light of

11  Reber's teachings.  Reber describes how it catalogs the works that may be

12  downloaded in a database that is indexed by the card identifiers and whose

13  records identify the resource to be provided (FF 40 and 41).  Looking up the

14  card identifier in Reber's database is a search of the database (FF 58), which,

15  since the database contains descriptions of the works, is a searching of the

16  digital works.  Even were Reber to rely on a file system instead of a database

17  of identifiers, the file system itself is a database which is searched (FF 59).

18  Finally, Reber's database identification of the work may be a resource name

19  (FF 40), which would then have to be searched to find its location.

20         The Appellant next argues that the cited references teach away from

21  the stated combination.  The Appellant contends that Reber teaches away

22  from the combination with Fiala and Freeny because in Reber, a user

23  accesses the resource by reading the machine-readable data using a data

24  reader rather than by typing an electronic address.  The Appellant argues that

25  in contrast, the present invention requires a direct user input of a desired

1 digital work's non-machine readable identification data (Request 9 - 11:First

2 full ¶).

3      We find the Appellant's argument is not commensurate with the scope

4 of claim 1. There is no recitation of typing data as a vehicle for direct data

5 input, or of the displayed data not being machine readable, in claim 1. In

6 contrast, the Specification recites that the customer node can use a magnetic

7 card reader (FF 10) and suggests the use of a bar code scanner, since the

8 customer node may be configured the same as the disclosed merchant node

9 (FF 06), which may have a bar code scanner (FF 09). The Appellant has

10 made no contention that the cited references would discourage one of

11 ordinary skill from the actual claim limitations surrounding data entry of

12 "sending a request." *See Fulton, id.*

13      The Appellant next argues that Freeny teaches away from the

14 combination asserted by the Office. The Appellant contends that Freeny

15 discloses a system and method for reproducing information in a material

16 object at a point of sale. The Appellant further contends that Freeny

17 discusses -- and dismisses -- delivering such information to the consumer at

18 the consumer's home. The Appellant concludes that requesting a specific

19 digital work from, and delivering the specific digital work to, a customer

20 node is discouraged by Freeny (Request 11:Bottom ¶ - 12:First full ¶).

21      We find the Appellant's argument is not commensurate with the scope

22 of claim 1. There is no recitation of delivering information at the consumer's

23 home in claim 1. As we construed, *supra*, the phrase "customer node" is a

24 node that relates to a customer and Freeny's manufacturing machine which

25 downloads a file for a customer relates to a customer.

1    We further find that Freeny did not reject the idea of delivering data to

2    a home. The Appellant cites Freeny 3:62-4:7 for this argument (Request

3    11:Footnote 33). We find this portion of Freeny only recites the practice of

4    delivering television to a home as background. Freeny at no point

5    discourages the placement of its manufacturing machines in a home. We

6    note that Freeny was filed in 1983, before Internet downloading at home

7    became commonplace, and as such, Freeny relied on the commonly used

8    technology of its day. However, one of ordinary skill in the art would have

9    found it obvious to combine an old electromechanical device such as

10   described by Freeny with electronic circuitry

11        to update it using modern electronic components in order to gain the
12        commonly understood benefits of such adaptation, such as decreased
13        size, increased reliability, simplified operation, and reduced cost. . . .
14        The combination is thus the adaptation of an old idea or invention . . .
15        using newer technology that is commonly available and understood in
16        the art.

17   *Leapfrog, id.* at 1163. Thus, updating Freeny's manufacturing machines by

18   replacing audio tapes and the like with a hard drive in the era of internet

19   downloading as taught by Reber would have been an obvious technological

20   update.

21        The Appellant next argues that no motivation for combining the

22   references has been articulated. The Appellant argues that the Office is

23   asserting that the missing claim elements are obvious in light of the nature of

24   the problem to be solved. However, this "begs the question" of whether "this

25   problem had been previously identified anywhere in the prior art."

26   Appellant contends that nowhere in the prior art is this problem identified.

27   The Appellant admits that under the precedent of *KSR, id.* at 1741, an

28   obviousness analysis need not seek out precise teachings -- but rather may

1   be found in implicit factors. The Appellant argues that the Office has not

2   identified such implicit factors and has not made the relevant obviousness

3   analysis explicit (Request 12:Second full ¶ - 14:First full ¶).

4         We made such findings explicit in the section entitled *Board of Patent*

5   *Appeals and Interferences Findings and Holdings, supra.* There we found

6   that each of Reber and Freeny omit certain implementation details that the

7   other provides. The problem to be solved that the Appellant argues is

8   missing is thus the problem of filling in such implementation details. One of

9   ordinary skill knew that to practice any system, the implementation details

10  of each component of the system had to be ascertained. Thus, the

11  identification of a system to be practiced was in itself an identification of the

12  problems of identifying the implementation details of the system's

13  components. Reber provides the data entry details for Freeny and Freeny

14  provides the authorization details for Reber.

15       The Appellant next contends that combining Reber with Fiala and

16  Freeny changes the principle of operation of Reber. The Appellant argues

17  that Reber must be modified: (1) in order to provide a purchasing

18  mechanism for the prepaid card, and thereby attract customers to the store

19  and service willing to pay for prepaid access to digital content; (2) in order

20  to activate the prepaid card sold by the retailer, and thereby enable

21  customers to access digital content sold through the retail establishment; and

22  (3) in order to provide off-line content usage, and thereby attract customers

23  to the retail store and online content distribution service. With regard to the

24  first modification, the Appellant argues that the principle operation of a

25  network navigation device is incongruous with a purchasing mechanism for

26  a prepaid card. With regard to the second modification, the Appellant

1   argues that limiting customers from accessing digital content until activation

2   of a prepaid card significantly changes the operation of Reber, and that the

3   ability to provide "off-line content usage" is in direct opposition with the

4   teachings of Reber (Request 14: Last full ¶ - 16:First full ¶).

5          As to the Appellant's argument that the combination would change

6   the principle of operation citing *In re Ratti*, 270 F.2d 810 (CCPA 1959)

7   (Request 14:Footnote 43), while *Ratti* held that a combination of references

8   that would require a substantial reconstruction and redesign of the elements

9   shown the prior art as well as a change in the basic principles under which

10  the prior art was designed to operate is not a proper ground for an

11  obviousness rejection, 270 F.2d at 813, what *Ratti* was referring to was

12  reconstruction and redesign of how all the elements interrelate in a manner

13  relying on operational principles unforeseeable to a person of ordinary skill.

14         In *Ratti,* claims were directed to an oil seal comprising a bore

15  engaging portion with outwardly biased resilient spring fingers inserted in a

16  resilient sealing member.  The primary reference relied upon in a rejection

17  based on a combination of references disclosed an oil seal wherein the bore

18  engaging portion was reinforced by a cylindrical sheet metal casing.  Its seal

19  was incompressible and the device required rigidity for operation, whereas

20  the claimed invention required resiliency.

21         But Reber's user download (FF 22), coupled with Freeny's purchase

22  and authorization of such downloads (FF 49), would not do such violence to

23  the operating principles of Reber.  Modifications by substitution, even if

24  they omit the subject matter portion which a prior art patentee apparently

25  regarded as his contribution to the art along with such advantages as it might

26  provide, where the modified apparatus is obvious in view of the prior art and

1     where the retained portion of the subject matter will operate on the same

2     principles as before, "are not authority for holding a rejection improper

3     under such circumstances." *In re Umbarger*, 407 F.2d 425, 430-31 (CCPA

4     1959), distinguishing *Ratti*. In this case, modifying Reber by applying

5     Freeny's card payment, download authorization, and retention of the

6     downloaded work, still operates on the principles of both Reber and Freeny.

7     Indeed, as we have held *supra*, Reber describes prepaid cards (FF 21), a

8     database containing authorizations (FF 39) and retention of the work

9     following an ftp download (FF 57).

10         The Appellant next contends that combining Reber with Fiala and

11     Freeny changes the principle operation of Fiala. Appellant asserts that Fiala

12     is directed to packaging for a stored value card with an associated metered

13     account and the activation of the metered account. Appellant states that the

14     metered account activated by Fiala is disclosed to be a telecommunications

15     account, and be used for multiple transactions. Appellant argues that the

16     present invention does not require such an activation, but rather a limited

17     activation, setting "the status of the desired digital work as available for a

18     one-time access based on the card identifier of the card associated with the

19     digital work." Appellant further argues that the activation of a metered

20     account for unrestricted use (up to the balance of the metered account) does

21     not disclose the limited activation for a one-time access of a particular file.

22     Appellant concludes that in order to combine Fiala with Reber and Freeny to

23     disclose the present invention, Fiala would be modified to provide a one-

24     time access, thereby changing the principle operation of Fiala and its

25     metered account activation (Request 16: Bottom ¶ - 17:Top ¶).

1    We point again to *Umbarger, id.* In this case, modifying Fiala by

2 applying Freeny's and Reber's one time use restriction, still operates on the

3 principles of Fiala, Reber, and Freeny. Certainly, since the limit of use in

4 Fiala is arbitrary, Fiala's card would operate in exactly the same manner if it

5 were restricted to one single use. It would be just that the single use would

6 define the limit of use that Fiala describes its cards as having.

7    The Appellant next contends that combining Reber with Fiala and

8 Freeny changes the principal operation of Freeny. The Appellant argues that

9 Freeny is directed to systems and methods for reducing inventory at a store,

10 by reproducing information in material objections at a point of sale location,

11 and that, in order to effectuate this goal, Freeny discloses a reproduction unit

12 located at the point of sale. The reproduction unit reproduces information in

13 a material object. The Appellant contends that the present invention is

14 distinguishable, in that it requires a "customer node" that: is intermittently

15 coupled to the remote server; that receives a desired digital work; and that

16 "send[s] a request to access the desired digital work...through the

17 communications network to the remote server." The Appellant concludes

18 that in order to disclose the present invention from a combination of Reber,

19 Fiala, and Freeny, the *material object* of Freeny would have to "send[] a

20 request to access the desired digital work...through the communications

21 network to the remote server" (Request 17:First full ¶ - 18: Top ¶).

22    This is apparently a repetition of the Appellant's argument, *supra*, that

23 the material objects recited by Freeny are incapable of sending such a

24 request to a remote server appear. As we found in response to that earlier

25 instance of this argument, Freeny is very clear that it is the manufacturing

26 machine, not the media that the manufacturing machine downloads to, that

1  intermittently contacts and communicates with the remote server's

2  information control machine to access and download a file (FF 49-51). As

3  to the operation of this manufacturing machine, again, pointing to

4  *Umbarger, id.,* modifying Reber by applying Freeny's authorization

5  communication between its manufacturing machine and its information

6  control machine, still operates on the principles of Freeny, since it does not

7  change the operation of Freeny, and neither does it alter the operation of

8  Reber (or the cumulative Fiala reference).

9      The Appellant next contends that combining Reber with Fiala and

10  Freeny would render Reber inoperable or unsatisfactory for its intended

11  purpose. The Appellant argues that the electronic network disclosed by

12  Reber is the Internet and World Wide Webs. The Appellant argues that the

13  present invention requires searching a specific remote server for a specific

14  digital file. The Appellant contends that modifying Reber in view of Fiala

15  and Freeny to disclose the present invention effectively eliminates the

16  network navigation aspect of Reber -- which the Appellant argues is the very

17  point, the intended purpose. The Appellant further argues that, in

18  accordance with Reber, a user inputs a network location into a computer.

19  The network location may be input via manual input, or preferably, via a

20  machine readable indicia. The computer then automatically navigates to the

21  particular network location and automatically displays the content on the

22  particular network location -- content which the user may be unaware of

23  until it is displayed. The Appellant contends this is in contrast with the

24  invention which requires the selection of a specific digital work; the user is

25  not navigated to a network location and displayed whatever content is there;

26  rather, the user determines in advance which specific work to access. The

1    Appellant argues that Reber does not disclose the location and distribution of

2    a specific digital work, and to modify Reber to do so destroys the

3    navigational capabilities of Reber, and the intent to provide an answer to the

4    "much-hyped but difficult-to-use linking of computers around the world."

5    The Appellant also argues that the network navigation device of Reber is

6    intended to be "produced inexpensively for wide distribution" as "inserts in

7    magazines, newspapers, or other publications," or they can be "distributed

8    by mail," or "distributed as one distributes business cards." The Appellant

9    argues that each of these distribution methods is free to the recipient

10   (Request 18: Second full ¶ - 20: First full ¶).

11          Although the Appellant has couched this argument as one of

12   inoperability, we find that Reber already describes as an operable

13   embodiment what the Appellant is arguing would be the inoperable result

14   after the argued modifications. We find that the server and file that are

15   searched are pointed to by the description on Reber's card. This describes

16   the operation of the ftp download embodiment of Reber (FF 35 and 36). The

17   Appellant's Specification discloses that the customer node connects to the

18   internet (FF 03) just as Reber's user's node does, so applying Reber's

19   connection to the internet would hardly render Reber inoperable. While

20   claim 1 requires that the digital work be found after a search, so does Reber,

21   as for example when an ftp file target is displayed on Reber's card (FF 35

22   and 36). Nothing in claim 1 recites that the user determines in advance

23   which work is accessed as the Appellant argues; rather the work is that

24   identified by the card, not the user. Again, this is the same as in Reber in

25   which a card's identifier describes, through a database, a file that either is, or

26   is accessed by, a resource (FF 34-36). As to the argument regarding

1    awareness, the claim recites no limitation regarding the level of a user's

2    awareness of the content that is downloaded, and Reber clearly provides a

3    human viewable image intuitively associated with the resource (FF 20),

4    which is the digital work itself for at least an ftp download (FF 57).  As to

5    the argument of free distribution, while it may be that Reber's card is to be

6    produced inexpensively, this does not mandate that they be given away for

7    free, and Reber even describes a prepaid embodiment (FF 21).

8         The Appellant next contends that combining Reber with Fiala and

9    Freeny would render Freeny inoperable or unsatisfactory for its intended

10   purpose.  The Appellant argues that Freeny is directed to reproducing

11   information in material objects at a point of sale location, and distinguishes

12   the Appellant's invention as requiring a customer node that is intermittently

13   coupled to the remote server, that receives a desired digital work, and

14   "send[s] a request to access the desired digital work...through the

15   communications network to the remote server."  The Appellant contends that

16   in order to disclose the present invention from a combination of Reber,

17   Fiala, and Freeny, the material object of Freeny would have to "send[] a

18   request to access the desired digital work...through the communications

19   network to the remote server."  The Appellant argues that the material

20   objects recited by Freeny are not operable to send a request, but are simply

21   recording or memory devices.  The Appellant further argues that modifying

22   Freeny to be included in the combination of Reber and Fiala renders Freeny

23   entirely unsatisfactory for its intended purpose because Freeny is intended as

24   a means to reduce the amount of inventory a store must carry.  The

25   Appellant argues that modifying Freeny as stated would allow customers to

26   save selected information (or digital files) at the customer node -- not at the

1   point-of-sale and effectively cuts the merchant out of the equation, therefore

2   rending the combination unsatisfactory for Freeny's intended purpose

3   (Request 20: Second full ¶ - 21: Top ¶).

4          The Appellant argues again that the media attached to Freeny's

5   manufacturing machine, rather than Freeny's manufacturing machine itself,

6   would have to communicate with the remote server.  As the Appellant states,

7   it must be a machine that performs such communication.  Freeny has that

8   machine in its manufacturing machine.  Certainly requiring Freeny's

9   manufacturing machine to operate in exactly the manner it is so described in

10  Freeny could not render Freeny inoperable or unsuitable.

11         The Appellant's final argument that eliminating Freeny's removable

12  media such as tapes would cut out the merchant is of course belied by both

13  Reber's and Fiala's description of prepaid cards.  Clearly Reber's

14  embodiment of prepaid cards suggests that Freeny's merchant would sell the

15  card for subsequent download instead of a tape for immediate download.

16  Thus, modifying Freeny to substitute a prepaid card for removable media

17  would not render Freeny inoperable or unsuitable for its intended purpose.

18         The Appellant next argues that the differences between the claimed

19  subject matter and the prior art prevents a finding of obviousness because

20  the prior art of record does not teach all of the elements of the present

21  invention as claimed, and the references have different intended purposes

22  and principle of operations, such that combination is improper.  The

23  Appellant argues that Reber discloses a network navigation device; Fiala

24  discloses an unlimited activation of a metered account; and Freeny discloses

25  an inventory control device for recording information at a point of sale.  The

26  Appellant argues that that these references would be combined to disclose a

1    method of distributing digital works, where the works are available for a

2    one-time access from a customer node, the customer node sends a request to

3    access the digital work, and the digital work is made available for

4    subsequent use at the customer node after disconnecting from a server is

5    nonsensical.  The Appellant refers to these distinctions as glaring differences

6    between the references and the present invention and argues that the only

7    way one of ordinary skill in the art could have combined them is by using

8    impermissible hindsight and the present invention as roadmap (Request 21:

9    Bottom two ¶'s).

10       The Appellant is arguing that the applied art are disparate.

11       When a work is available in one field of endeavor, design incentives
12       and other market forces can prompt variations of it, either in the same
13       field or a different one.  If a person of ordinary skill can implement a
14       predictable variation, § 103 likely bars its patentability.  For the same
15       reason, if a technique has been used to improve one device, and a
16       person of ordinary skill in the art would recognize that it would
17       improve similar devices in the same way, using the technique is
18       obvious unless its actual application is beyond his or her skill.

19   *KSR, id.* at 1740.

20       More to the point, the Appellant is very selective in summarizing each

21   of the references.  A more pertinent characterization of the references is that

22   Reber discloses a download service that relies upon a card with an identifier

23   of the download and protects against unauthorized downloads with a usage

24   parameter; Freeny discloses a download service in which the authorization

25   transactions are explained more explicitly than in Reber, although its data

26   entry mechanisms need the implementation details of a reference such as

27   Reber; and Fiala is a cumulative reference that discloses the notoriety of

28   prepaid cards such as disclosed in Reber.  From such a perspective, not only

1    is the combination not resultant from hindsight, the Reber and Freeny

2    references each suggest the need of the other.

3        Thus none of the Appellant's arguments are persuasive and we find

4    that the Appellant has failed to meet its burden of showing that the Examiner

5    erred in rejecting claim 1.  Since the Appellant only argued for the

6    patentability of claim 1, the remaining claims in the rejection, *viz.* claims 6

7    through 9, and 13 through 15, stand or fall with claim 1.  37 C.F.R.

8    § 41.37(c)(1)(vii) (2007).

9    *Claims 4 and 12 rejected under 35 U.S.C. § 103(a) as obvious over Reber,*

10                   *Fiala, Freeny, and Official Notice.*

11       There are no issues under contention as to these claims and they

12   depend from independent claims 1 and 9 whose rejection we sustained

13   above.  The Appellant is relying on the arguments in support of patentability

14   of claim 1 to show patentability of these claims.  Thus, our analysis negating

15   the patentability of claim 1 over the art which is also applied in this rejection

16   is equally applicable to these claims.  There are no contentions regarding

17   claim limitations for which the Official Notice was applied.  Accordingly we

18   sustain the Examiner's rejection of claims 4 and 12 under 35 U.S.C. § 103(a)

19   as obvious over Reber, Fiala, Freeny, and Official Notice.

20   *Claim 5 rejected under 35 U.S.C. § 103(a) as obvious over Reber, Fiala,*

21                      *Freeny, and White.*

22       There are no issues under contention as to this claim and it depends

23   from independent claim 1 whose rejection we sustained above.  The

24   Appellant is relying on the arguments in support of patentability of claim 1

25   to show patentability of this claim.  Thus, our analysis negating the

1    patentability of claim 1 over the art which is also applied in this rejection is

2    equally applicable to this claim.  There are no contentions regarding claim

3    limitations for which White was applied.  Accordingly we sustain the

4    Examiner's rejection of claim 5 under 35 U.S.C. § 103(a) as obvious over

5    Reber, Fiala, Freeny, and White.

6                            NEW GROUND OF REJECTION

7            The following new ground of rejection is entered pursuant to

8    37 C.F.R. § 41.50(b) (2007).

9            Claims 1, 4 through 9, and 12 through 15, are rejected under 35

10   U.S.C. § 112, first paragraph as not being supported by the written

11   description as originally filed.

12           The two independent claims 1 and 9 recite storing a work "such that

13   the digital work is available for subsequent use by the customer at the

14   customer node after the customer logs off of the remote server."

15       The disclosure as filed contained no written description of logging off or

16   otherwise exiting the remote server as currently recited in the limitation

17   "such that the digital work is available for subsequent use by the customer at

18   the customer node after the customer logs off of the remote server" of claims

19   1 and 9.  This limitation was added to claims 1 and 9 by amendment dated

20   February 24, 2005.  The Appellant did not present any indication as to where

21   support for this amendment might be found in the original disclosure (FF

22   13).  We have examined the Specification and found no support.

23           The closest the originally filed disclosure comes to this is describing

24   that when the desired digital work is received at the customer node, it is

25   stored on the memory of the customer node "for subsequent access and use

1 by the customer" (Specification 12:17-19) (FF 11). However this portion of

2 the written description only describes the work as being available after

3 reception, not after logging off or exiting the remote server (FF 12).

4 Thus, claims 1 and 9 are not fully supported by the written description

5 as originally filed. *See In re Rasmussen*, 650 F.2d 1212, 1214-15 (CCPA

6 1981). Dependent claims 4 through 8 and 12 through 15 are similarly

7 unsupported by the originally filed disclosure because they fully incorporate

8 the claimed subject matter, and thus this limitation, of independent claims 1

9 and 9.

10 CONCLUSIONS OF LAW

11 The Appellants have not sustained their burden of showing that the

12 Examiner erred in rejecting claims 1, 4 through 9, and 12 through 15 under

13 35 U.S.C. § 103(a) as unpatentable over the prior art.

14 We enter a new ground of rejection of claims 1, 4 through 9, and 12

15 through 15 under 35 U.S.C. § 112, first paragraph, as not being supported by

16 the written description as originally filed.

17 DECISION

18 To summarize, our decision is as follows:

19 • The rejection of claims 1, 6 through 9, and 13 through 15 under 35

20    U.S.C. § 103(a) as obvious over Reber, Fiala, and Freeny is

21    sustained.

22 • The rejection of claims 4 and 12 under 35 U.S.C. § 103(a) as

23    obvious over Reber, Fiala, Freeny, and Official Notice is sustained.

1        • The rejection of claim 5 under 35 U.S.C. § 103(a) as obvious over

2           Reber, Fiala, Freeny, and White is sustained.

3        • We enter a new ground of rejection of claims 1, 4 through 9, and

4           12 through 15 under 35 U.S.C. § 112, first paragraph, as not being

5           supported by the written description as originally filed.

6        This decision contains a new ground of rejection pursuant to

7    37 C.F.R. § 41.50(b) (2007).

8        Our decision is not a final agency action.

9        37 C.F.R. § 41.50(b) provides that Appellant, *WITHIN TWO*

10   *MONTHS FROM THE DATE OF THE DECISION*, must exercise one of the

11   following two options with respect to the new rejection:

12           (1) *Reopen prosecution.* Submit an appropriate
13       amendment of the claims so rejected or new evidence relating
14       to the claims so rejected, or both, and have the matter
15       reconsidered by the Examiner, in which event the proceeding
16       will be remanded to the Examiner. . . .
17
18           (2) *Request rehearing.* Request that the proceeding be
19       reheard under § 41.52 by the Board upon the same record. . . .
20

21       No time period for taking any subsequent action in connection with

22   this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R.

23   § 1.136(a)(1)(iv) (2007).

24                    AFFIRMED; 37 C.F.R. § 41.50(b)

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4  HUNTON & WILLIAMS, LLP

5  INTELLECTUAL PROPERTY DEPARTMENT

6  RIVERFRONT PLAZA, EAST TOWER

7  951 EAST BYRD ST.

8  RICHMOND, VA  23219-4074